



PROSPER PORTLAND:

Child Care Facilities Navigation Pilot

KEY FINDINGS AND RECOMMENDATIONS REPORT

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MULTNOMAH COUNTY

CITY OF PORTLAND

Thank you to the small business and City, County and State agencies who provided insights and information throughout the Pilot Program.

Purpose of CCFN Report:

In the Fall of 2022, Social Venture Partners (SVP), Multnomah County, and other key industry partners identified a need for navigation services to work with businesses looking to start or grow a child care center in a commercial setting and help them learn about the requirements as well as the process of leasing or owning commercial space. Prosper Portland issued a Request for Proposals for a Childcare Navigator position. The role included navigating and advising businesses about City of Portland permitting processes and space-specific State license requirements, identifying commercial space, advising on lease agreements and space buildout, and reporting on barriers and possible solutions to the challenges that the team uncovered. The selected team worked closely with Prosper Portland and the Bureau of Development Services to develop the findings and recommendations in the following report.

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Section 1

EXECUTIVE SUMMARY

The intended audience of this report is the City of Portland (mayor, bureaus and commissioners), Multnomah County's Preschool For All initiative (PFA), the State Department of Early Learning and Care (DELIC), and prospective partners in creating Certified Child Care Centers in our region. It identifies the key findings, recommendations, and next steps for these leaders to establish a simpler and more transparent process for expanding the number of Certified Child Care Centers in Portland.

SECTION 1

EXECUTIVE SUMMARY

In Multnomah County there is a shortfall of 23,855 Child Care spots for children with both parents in the workforce (source: LIIF report July, 2024). Out of those, 11,423 are preschool aged (3- and 4-year olds). Multiple organizations, including Head Start, Preschool Promise, and Multnomah County's Preschool for All (PFA) initiative, are working to increase regional capacity for Child Care. The goal is to provide a publicly-funded slot for every preschool-age child in the County by 2030 (<https://www.multco.us/preschool/provider-faqs>). In addition to funding slots in Child Care Centers, PFA supports providers with capital costs that can be used to open, expand, or improve their Center.

There are not enough existing preschool slots to fill the need, and the bulk of that need is in the City of Portland. In order to meet demand, it will be necessary to expand existing home-based and commercial Centers and open new ones. This report focuses specifically on Certified Child Care Centers (located in a commercial space and licensed by the Oregon Department of Early Learning and Care, also known as Commercial Daycare) because they have larger capacity and are more challenging from a zoning and building perspective.

Opening a Certified Child Care Center (CCCC) comes with many complex challenges, ranging from the business model, hiring and retaining teachers, and finding suitable commercial space that meets the requirements of the state licensure body, county and city codes. Social Venture Partners identified the need for navigation services given the complexities of opening a Certified Child Care Center. The City of Portland has a critical need for Centers to support families and the local workforce. Multnomah County and the City of Portland commissioned this report to focus on: **Identifying the barriers to opening a Certified Child Care Center in Portland.**

A PATHWAY TO MORE CHILD CARE CENTERS:



The Child Care Facility Navigation (CCFN) pilot program was started in early 2023. The navigators worked with Child Care providers, City bureaus, and County and State agencies to understand the process, pain points and major challenges. This report includes the key findings and recommendations as well as detailed list of findings, clarifications, and suggestions for process and policy changes.

The Child Care Facilities Navigator (CCFN) team worked with a group of 5 Child Care providers navigating the journey from concept to opening a Certified Child Care Center, to assess barriers in real time and help them troubleshoot. Additionally, the team engaged with over 30 providers in group meetings to learn about their journey and share tools and information that providers need to expand into a Certified Child Care Center. The complexities were more than expected and what providers put on the line for an essential service to our society could be better supported to mitigate the risks involved.

Some of the recommendations build on Advance Portland, the City's five-year economic strategy, that highlights barriers for small business growth and offer strategies to:

- > Identify and address existing regulatory requirements that are cost-prohibitive to those investing in existing commercial spaces;
- > Raise the threshold for triggering mandatory public infrastructure upgrades, such as increasing the minimum value of private improvements that trigger public improvements;
- > Set a maximum for public improvement costs for small local businesses; and
- > Provide financial support to make improvements.

The CCFN identified three overarching barriers (key findings) to opening a Certified Child Care Center in Portland.

SEE SECTION 03 FOR DETAILS

FINDING 1: SPACE SHORTAGE

There is a severe lack of suitable space for providers to develop Certified Centers in Portland.

The building occupancy classifications required for Certified Child Care Centers are E-Education and I-4-Institutional; these building code definitions are designed to minimize hazards and ensure safe exiting from a space that is primarily used by young children. Most of the available spaces in the market are a different occupancy. Of the 160 properties investigated by the CCFN team, only 13 (or 8%) of them were viable for acquisition or lease and have the necessary space, safety features, and zoning. All of these buildings required a change of occupancy, which is costly and difficult to navigate. Additionally, leasing space does not typically pencil for an operator due to the extent and cost of physical improvements required by code. Purchasing property and making the necessary improvements is difficult due to a lack of capital.

FINDING 2: COMPLICATED JOURNEY

The process of opening a Certified Center is complex and under-supported.

Opening a Certified Child Care Center requires providers to have in-depth knowledge of property development, ranging from finding a suitable location, navigating the permitting system, making construction improvements, and accessing financing. Providers must meet building and zoning code requirements, in addition to a separate set of State licensing requirements, to open a Certified Child Care Center. Often, they cannot guarantee financing until they receive building permits. Existing support systems are fragmented and are not set-up to prepare and guide a provider through the full process.

Once a provider has identified a potential building, the necessary building improvements will not be fully known until the permit drawings have been prepared and the city permitting team has reviewed the application. Getting complete information to determine project scope is challenging. The City of Portland offers free 15-minute appointments to address questions. However, the team found the information is limited, varies between calls, is non-binding and cannot be used to assess SDCs. State licensors may offer to walk through the project site at the beginning of the process. However, the official licensing review happens at the end of the construction project, which can result in unanticipated requirements that extend time and cost. The team also found this situation can occur with fire, plumbing, and health inspections. As a result of these ambiguities, many providers choose not to expand or start their process at a high level of financial risk.

FINDING 3: IMPRACTICAL EQUATION

The cost and time involved in opening a Certified Center doesn't match the razor thin profits of the industry.

On average, a provider must double the cost of purchasing a property to upgrade the building and site to meet project needs, licensing requirements and building and zoning code. This process can take 24-30 months from start to finish, during which they are not earning income. The providers are relying on grants and personal credit to complete the project, knowing that tuition alone will not allow them to recoup the investment for 15-20 years.

These three key findings are a result of many interconnected factors. As such, they cannot be solved in isolation. The CCFN offers the following key recommendations. **SEE SECTION 03 FOR DETAILS**

1

SIMPLIFY THE JURISDICTIONAL (PERMIT) PROCESS FOR OPENING A CERTIFIED CENTER.

- > **Process recommendations:** establish a standard definition for Commercial Child Care Center and ensure all permitting staff use the same term and definition; provide worksheets, such as tools for confirming plumbing fixture quantities and set definitions for kitchen requirements; provide training to staff managing Child Care center permits to ensure information and process is consistent both internally and externally; and provide a user-friendly permit fees calculator.
- > **Policy changes:** consider ways to minimize or shift right-of-way improvement costs and SDC fees away from Child Care providers and find alternative ways to finance public infrastructure improvements. Coordinate local building review with County and State agencies.

2

PROVIDE COORDINATED TECHNICAL ASSISTANCE AND FLEXIBLE FUNDING TO PROVIDERS THROUGHOUT THE FULL LIFECYCLE OF THEIR PROJECT

- > **Process Recommendation:** Providers would greatly benefit from trained navigators to guide them as they locate real estate, decipher permit requirements, hire qualified professionals for design and construction, and coordinate the process of licensing and opening a certified center.
- > **Program Recommendation:** Establish a grant program that providers can access for pre-development, operational expenses before opening, and construction capital. The CCFN pilot connected providers located within a Tax Increment Finance district with pre-development funds to cover costs such as architectural services and permitting. However, funds are limited, tied to particular geographies, and not available city-wide.

3

DEVELOP A ONE-STOP RESOURCE TOOL FOR PROVIDERS TO UNDERSTAND HOW TO DEVELOP A CERTIFIED CHILD CARE CENTER.

- > **Process Recommendation:** Unify the many efforts that the City, County, and State agencies have created to share information about the process of opening a Commercial Child Care Center by providing a one-stop resource, such as a user-friendly website that is easy to navigate, along with staff to answer questions and bridge the existing information gap. The worksheets and tools cited in recommendation #1 could also live here. Currently, information is in many different places, is not easy to find or understand, and involves technical language and building code that are difficult to interpret. The existing navigators are focused on business planning and do not provide support for the physical space.

4

PROVIDE READY-MADE CHILD CARE CENTERS FOR PROVIDERS.

- > **Policy Recommendation:** Research options for creating ready-made spaces that can be operated by Child Care providers. Consider exploring modular construction, reconditioning of viable properties, development of turn-key centers, and more.

In addition to the key findings and recommendations, the CCFN has identified dozens of points for improvement along the path of opening a Child Care Center. A summary is below.

SEE SECTION 04 FOR DETAILS

Tag	Title	Role or Agency	Summary / Clarification	Proposed Process Change	Proposed Program / Policy Change
1A	Planning for a Larger Business	TA	Creating a business plan for a new, larger Certified Child Care program based on a current small-scale site involves significant changes in operations.	Provide more technical assistance during the business plan development process by offering guidelines and templates and developing simpler tools.	Support providers financially as they develop their business plan and apply for loans.
1B	Location Challenges	TA BPS	LIIF has created a Multnomah County mapping tool: https://arcg.is/1bC8rm1	Provide training to navigators so they are aware of the LIIF resource and know how to use it.	BPS be made aware of the LIIF tool and participate in further discussion about the data and ways zoning policy might support it.
1C	Setting a Space Budget	DELC	The CCFN created a worksheet with recommended calculators for developing classroom, building, and exterior space sizing.	none	none
1D	Setting a Financial Budget	TA	There are so many variables in building a CCCC that it is hard to develop a realistic construction budget.	Need to develop accessible resources.	none
1E	Documents Needed	TA	New Businesses need more education on the requirements associated with leasing commercial space.	Equip TA providers with training materials specifically developed for new tenants that explain the requirements for leasing commercial space.	none
1F	Alignment of Funding at Every Stage	TA	Providers and financial backers need to understand the critical points along a provider's process that require funding.	Utilize Child Care Navigators to make sure each provider understands the landscape of funding options, the timeline for when payments need to be made.	See Detailed Finding 1A and 2C.
2A	Locating Suitable Places	BDS BPS PBOT	Locating a suitable commercial space for CCCC providers in Portland poses significant challenges when there is limited to no available commercial space.	Allocate more resources to posting key information on Portland Maps.	Simplify the building permit process for projects undergoing a change of occupancy, see Key Findings. Consider exempting properties from non-conforming upgrades or ROW improvements if they have been previously designated as an E or I-4 occupancy.
2B	Conducting Due Diligence	BDS	Whether leasing or purchasing a property, a provider needs to understand the risks and key cost drivers.	Provide navigation services and resource tools for providers throughout the entire process of opening a CCCC.	Provide pre-development funding for providers to enlist the help of qualified providers for Level 2 and Level 3 due diligence.
2C	Securing Financing	TA or City of Portland	Many lenders expect a provider to receive a building permit prior to releasing funds.	At the start of the building permit process, provide a letter explaining that a preliminary permit (with or without a change of occupancy) is approvable based on the information provided by the applicant.	Develop alternate ways to support early project development: gap funding for professional services and/or a development fund to incentivize developers to convert properties.
3A	Conditional Use	BDS BPS	Some of the most attractive locations for CCCC require a CU permit for > 3,000sf centers.	City to share more information about zones where there are positive synergies with Daycare uses.	Align City zoning with HB3109; reduce requirements for when a CU permit is required for a CCCC.
3B	Change of Occupancy	BDS Fire	Architect should analyze the building with regards to compliance for an E or I-4 occupancy use	See Key Findings for recommendations for a one-stop resource and professional navigation supports.	There is no recommendation to change policy related to the building code. Explore options to fund seismic upgrades for existing buildings.
3C	Frontage Improvements (ROW)	PBOT	The provider/professional team needs to contact PBOT at the beginning of the design process to confirm potential issues.	Organize/consolidate existing resources to help applicants find information. Provide tools that can become part of the centralized resource: trip generation calculator, project valuation worksheet, etc. Help providers generate a high-level evaluation of a property with an eye towards ROW upgrades.	Consider ways to shift burden of frontage improvements off providers via policy changes or alternate funding mechanisms.
3D	Driveway Upgrades	PBOT	The provider/professional team needs to contact PBOT at the beginning of the design process to confirm potential issues.	Include a driveway review in the process recommendation for a simple, high-level evaluation of a property with an eye towards ROW upgrades. See Detailed Finding 3C.	While the driveway changes may be necessary for safety, explore alternate ways to fund and construct upgrades without burdening Child Care projects.
3E	Non-conforming Upgrades	BDS BPS	The simplest way for a provider to budget for these costs is to plan on spending 10% of their budget on non-conforming upgrade	Provide tools that can become part of the centralized resource: a project valuation calculator	Create an exception to the NCU upgrade requirements; Allow providers to perform improvements over time without requiring full conformance; Explore alternate ways to fund and construct upgrades without burdening Child Care projects.
3F	Accessibility Upgrades	BDS	All new work must be compliant. The 25% rule only applies to alterations in areas of primary function. For a Child Care facility, this would be the classrooms and shared areas where the children spend their time.	Provide tools that can become part of the centralized resource: worksheets to establish the approximate permit value, the cost of alterations affecting areas of primary function, and the resulting 25% requirement.	ADA compliance is part of Federal Law. Clear information (see Process recommendation) would make it easier for providers to plan for the associated expenses.

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3F	Accessibility Upgrades	BDS	All new work must be compliant. The 25% rule only applies to alterations in areas of primary function. For a Child Care facility, this would be the classrooms and shared areas where the children spend their time.	Provide tools that can become part of the centralized resource: worksheets to establish the approximate permit value, the cost of alterations affecting areas of primary function, and the resulting 25% requirement.	ADA compliance is part of Federal Law. Clear information (see Process recommendation) would make it easier for providers to plan for the associated expenses.
3G_1	Kitchen Requirements	BDS BES Plumbing Fire Health DELDC	The CCFN outlined three types of kitchens that are common in Child Care Centers. None are a "commercial food establishment" per City of Portland.	Plumbing review be implemented for every Child Care Center, and that DELC and Environmental Health offer an optional plan review process. City to provide clearer direction for what constitutes a commercial kitchen.	
3G_2	Grease Interceptors	BES Plumbing	Only some Child Care kitchens will require a grease interceptor.	Encourage every provider to seek a plumbing plan reviews from BES and Plumbing.	
3G_3	Sinks and Drinking Fountains	BDS BES Plumbing Health DELDC	Providers need to take special care to separate sinks associated with toileting, classroom activities, and food/water from each other.	Provide tools that can become part of the centralized resource: a plumbing fixture worksheet for providers to fill out; BDS to confirm if it is possible to get exceptions for code-required drinking fountains and bathtubs/showers. City to add existing water meter sizes to Portland Maps.	
3G_4	Toilet Rooms	BDS DELDC	DELDC rules require that providers are within sight and sound of the children in their care. Building code requires privacy at toilet stalls.	DELDC to provide a worksheet for providers to fill out; BDS to provide clarity or code change on whether a bathtub/shower is required when a Child Care Center is using an I-4 Occupancy.	City defer to DELDC for definition of privacy at restrooms; DELDC provide clear guidance (sample drawings) for acceptable restroom layout options.
3G_5	Fire Sprinklers	BDS Fire	The specific requirements for when fire sprinklers are needed are not always clear due to the complexity of retrofitting existing buildings.	City to add existing water meter sizes to Portland Maps; BDS and Fire marshal to develop a clear path to evaluate existing buildings related to fire sprinkler and building separations.	
3G_6	Trash Enclosures	BES	The trash enclosure requirements are governed by multiple requirements and are expensive to meet.	BES to include requirements as part of the one-stop navigation tool (see Key Recommendations). Clarify process for filing for Special Circumstances. BES to continue to work with local waste haulers to obtain a list of compliant trash container.	
3G_7	Fences	BDS BPS DELDC	There is a discrepancy between the State (DELDC) requirements and City (Title 33) rules.		Allow outright an exception for Child Care spaces to meet the minimum DELDC requirements for fenced outdoor space. BDS establish an easy review process for a Child Care provider who needs to locate the primary play space in the front yard setback.
3G_8	System Development Charges	BDS BES PBOT	These fees are complicated to calculate and therefore to budget for.	Provide consistent, accurate information (including shared vocabulary) that providers can use to budget SDC fees.	Waive some or all SDC fees for Child Care providers.
4A	Selecting a General Contractor		For almost all daycare renovations, a licensed contractor is required.	English: https://www.oregon.gov/ccb/Documents/Guide%20to%20Hiring%20a%20Contractor.pdf Español: https://www.oregon.gov/ccb/Documents/Guide%20to%20Hiring%20a%20Contractor%20-%20Spanish.pdf	
4B	Timeline for Final Inspections	BDS Fire Health DELDC	There is confusion and lost time during this process as they try to communicate with different agencies and get different feedback. Construction projects will be inspected by a fire marshal as part of completing construction. Providers also need annual fire inspections that align with the licensing process.	Develop a multiagency list that covers the sequential nature of these steps and the agencies involved.	
5A	Surprises During Health Inspections	Health DELDC	There are no separate MCHD requirements for a Certified Child Care Center (unless the Center is also a licensed food establishment). An Environmental Health inspector (MCHD or 3rd party) reviews for compliance with the health aspects of the DELDC rules.	Formalize a process for reviewing building plans from a sanitation perspective prior to construction. Provide a copy of the site review checklist that Sanitation Inspectors use when reviewing a completed facility.	Hire additional health inspectors to focus on Child Care. Environmental Health and DELDC to increase capacity to provide a preliminary plan review concurrent with local building permit review to ensure that all requirements have been incorporated into the drawings prior to the start of construction.
5B	Alignment with DELC Rules	DELDC City	Providers can request a plan review prior to starting construction, but few are aware of this option. DELDC inspections happen very late in the game – after a provider has obtained City building permits and constructed most of the Center.	Formalize a process for reviewing building plans from a licensing perspective prior to construction. Provide a copy of the site review checklist that DELDC uses when reviewing a completed facility.	Involve DELDC in developing Key Recommendation #2 and #3, Coordinated Technical Assistance and One-stop Resource. See Detailed Finding 5A for recommendation to incorporate a plan review process.

NEXT STEPS PROVIDED BY PROSPER PORTLAND

LAUNCH A STAGE II OF THE CCFN PILOT TO EXPLORE:

- > Explore other possibilities to increase the number of Certified Child Care Centers by increasing the number of providers we work with through the pilot and expand the type of center, to cover not only commercial spaces but explore modular construction, expansion through residential ADUs and co-location in schools. This stage would focus on medium size Commercial Centers within the City of Portland.
- > Resource and pilot a pre-development, construction, and operational grant, managed by Prosper Portland to help providers perform due diligence, hire design and construction professionals and cover operational expenses, including staff.
- > Work with the CCFN team to pre-screen spaces for child care providers to go into commercial space in Child Care deserts. Perform due diligence in spaces the CCFN navigation team identifies as viable.
- > Explore the purchase and development of properties in Child Care deserts that could be transferred or operated by Child Care providers to reduce the burden of developing a property and the deep learning curve that it implies.
- > Develop trainings for industry professionals and permitting staff working with Child Care providers, including but not limited to architects, developers, health inspectors, general contractors, state licensors, etc.

CONVENE A MULTI-JURISDICTIONAL WORK GROUP TO ADDRESS THE FOLLOWING:

- > Create viable solutions for development of Certified Child Care Centers and explore ways to streamline the process, such as creating exemptions and/or alternative ways of funding for high price items, evaluating triggers for expensive public infrastructure improvements and helping providers meet code requirements by guiding them through the process.
- > Explore a navigation service hosted in the Single Permitting Authority to guide and advocate for Child Care providers going through permitting. This program would be similar to the Small Business Empowerment Program but solely focused on Child Care with dedicated staff that walks with them through the process and helps them troubleshoot permitting issues along the way.
- > Work with PBOT to explore alternate ways to manage public infrastructure improvements, such as through a dedicated fund that shifts the cost and management of the work away from providers.
- > Work with the Small Business Office at Prosper Portland to create tools to guide Child Care providers in opening Certified Child Care Centers in Portland. The CCFN team has already developed some tools, further work is needed to refine them, translate them and post them online for providers to use. Tools include: space calculation, space evaluation, budgeting with an emphasis on space. Other tools that would be useful to develop are: business plan template specific to child care, infographics for processes, etc.

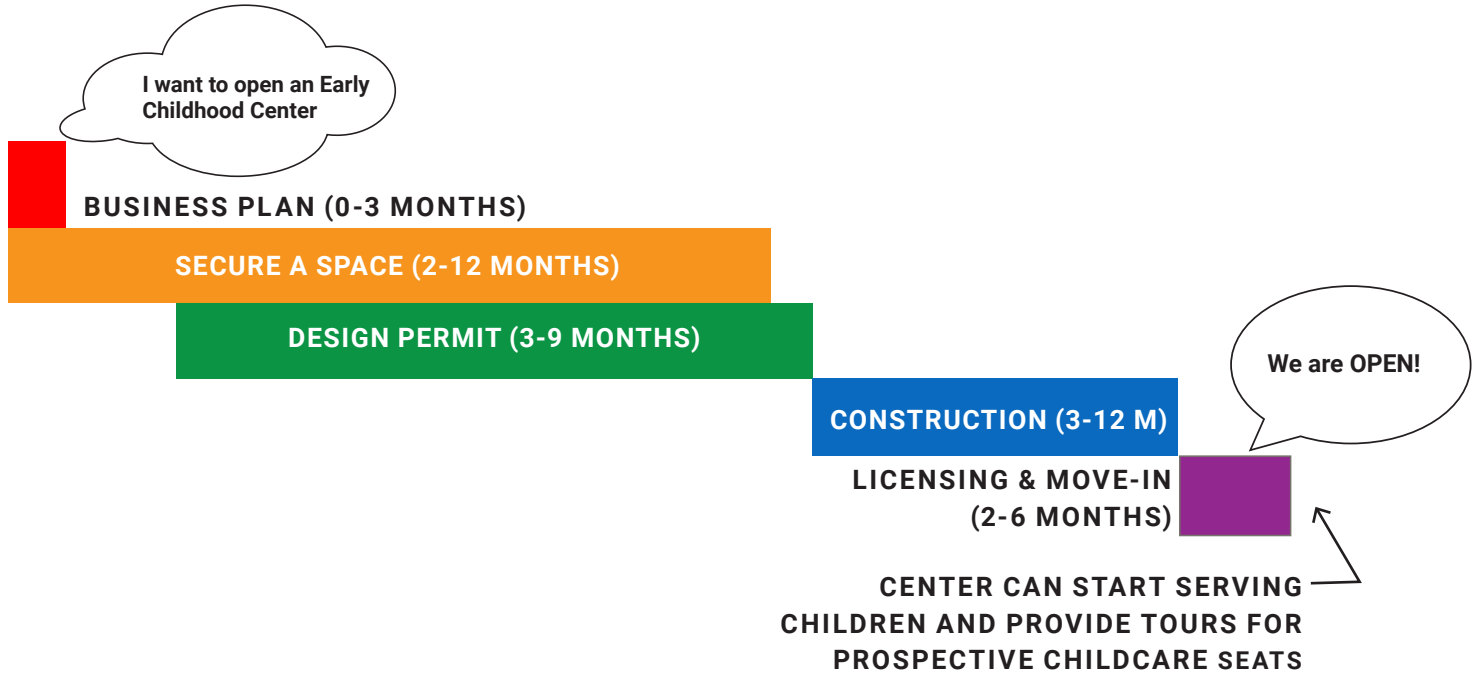
Section 2

BACKGROUND AND METHODOLOGY

Many words are used to describe Child Care – Preschool, Pre-kindergarten, Early Child Care, Early Childhood Education, Daycare. For consistency, **this report will use the word Child Care** to refer to care provided for children (birth to school age) outside of their homes for more than 4 hours a day. See the GLOSSARY for more common terms and definitions.

FRAMEWORK:

The CCFN identified five major steps to opening a certified Child Care Center



BACKGROUND AND METHODOLOGY

In November 2021, Multnomah County, Oregon, passed a tax to fund “Preschool For All.” This fund has created financial support to provide universal preschool in Multnomah County. Child Care Centers fall at the nexus of many regulations, which makes it difficult to achieve this goal of expansion. The City of Portland, along with other partners, identified the need for more navigational services to support providers along their journey to expanding or opening new Centers.

Quality early childhood education is essential for young learners as they develop cognitive, social and emotional skills. Structured activities and social settings provide a foundation that prepares young children for school. Our community has identified the importance of providing high quality spaces to support early learning.

The CCFN pilot started in January 2023 under a contract with Prosper Portland and funding from the City of Portland and Multnomah County. The purpose of this pilot was to understand the barriers and challenges associated with opening

a Certified Child Care Center in the City of Portland and provide recommendations and resources to simplify the process of opening a Center. The CCFN worked directly with Child Care providers trying to open a Center using the newly available Preschool For All (PFA) funding.

The CCFN benefited from collaboration with many local and national groups, including Prosper Portland, Multnomah County, Preschool For all, and the newly emerged BuildUp Oregon (BUO). One of the BUO partners, the Low Income Investment Fund (LIIF) conducted a concurrent research study. Their study includes broader statistical and location analysis, as well as funding and policy recommendations for Multnomah County. The LIIF report <<link>> is referenced throughout this report.

THE PILOT

In late 2022, Social Venture Partners (SVP), Prosper Portland (PP) and Multnomah County identified a need for navigation services to work with business owners looking to start or grow a Child Care Center in a commercial setting. The pilot was organized to (1) provide technical navigation services to providers in the City of Portland who are also eligible for PFA funding, and (2) produce a “barriers and challenges report” that addresses the process of business planning, identifying commercial real estate, designing, permitting, constructing, and licensing a commercial Child Care facility.

The technical navigation portion was divided into two cohorts:

COHORT 1: Five providers received detailed technical assistance from the CCFN team as they worked to open a Certified Child Care Center over the course of one year.

COHORT 2: Thirty providers met in small groups with the CCFN team to discuss the process and timeline for

opening a Certified Child Care Center. The team shared resources and connected providers to each other to build a stronger informal peer network.

Together, these two groups shared their experiences, insights, and challenges with navigating the process of opening a Certified Child Care Facility. In the process of providing navigation services to these cohorts, the CCFN team engaged with City, County, and State-level agencies to better understand the requirements to opening a facility. The CCFN team members also met regularly with Prosper Portland and members of the BuildUp Oregon team to align the navigation efforts with parallel efforts that were in development during the time period of this pilot program.

The CCFN program started as a collaboration between Brown and Carter Management Group (led by Ashley Butler) and Mahlum Architects (led by Abby Dacey). As the course of the pilot progressed, the team added Lorraine Guthrie Architect (LGA) to provide supplemental services directly to three of the Cohort 1 providers. The services provided by LGA allowed the CCFN team to address some of the barriers that providers were experiencing, such as navigating a right-of-way appeal and developing the Code Path for a building renovation.

TYPES OF CENTERS STUDIED

While Child Care can be provided in many settings and scales, the profile of the providers in this pilot program is similar. Most of the providers that the team interacted with own at least one mid-sized Certified Child Care Center, serving approximately 30-60 children. These providers have already gone through the process of creating a licensed Center and are planning to use grant funds to expand the number of children they serve or to add additional Certified Child Care Center(s). The authors highlight this profile because it seems that this scale of center, while very common, is also the most challenging for the following reasons:

- > The Centers require a commercial building and need to meet higher standards of licensing.
- > The Centers are too small to have school district or corporate/overhead structures and employees who can manage the process of expansion for them.
- > The financing capacity of these providers is limited and challenged by many factors. Providers are relying on consumer credit, inadequate savings, and grant funds through non-traditional financing institutions in order to build the capital stack required for property acquisition.
- > Most of the providers are currently working full-time to operate a Certified Child Care Center, which means they are occupied with children during typical working hours. Licensing bodies, City bureaus, etc. operate on regular business hours, which increases the challenge for providers to connect with the necessary staff resources.

THE FRAMEWORK

The CCFN team developed a basic framework to describe how a provider moves through the process of opening a Certified Child Care Center (see next spread for additional detail):

- > Business Plan
- > Securing a Space
- > Design and Permitting
- > Construction
- > Licensing

This report utilizes this framework to identify where a provider is in their journey to opening a Certified Child Care Center. The framework is also the organizational methodology for the detailed findings and recommendations in Section 4.

THE PROVIDER

Each Child Care provider that we encountered has one goal in mind: to create a wonderful physical environment that will support our earliest learners as they explore and grow. To do so, they look for locations that are near the populations they want to serve. They look for properties with space for play, easy parent drop-off, ground-floor exits and lots of natural light. They think about supervision, nutrition, hygiene, and physical activity. They hope they have enough budget to purchase good-quality furniture and classroom books and toys. None of the providers we met had an interest in becoming a real estate or policy expert. And yet, becoming a savvy broker in all things jurisdictional is what it takes to open a Child Care center in Portland.

Imagine if, to teach 3rd grade, a teacher was told they needed to open their own small business, obtain financing, find a building, become fluent in building code, and pay for upgrades to their classroom, building, site, and the sidewalks and roads adjacent to the site, before finally getting to the part they know: setting up a high quality learning space for their children. This is how Child Care facilities are organized in our community.

BUSINESS PLAN

FRAMEWORK FOR OPENING A CERTIFIED CHILD CARE CENTER:
The CCFN created this pathway to organize the distinct stages of opening a Certified Center.

Business Plan: The pre-work that a provider undergoes to determine the feasibility of expanding or opening a Certified Child Care Center. It includes developing the business idea, understanding finances, and deciding on the size of the Center (critical for identifying space needs, future income, and budget). Providers must collect specific financial records to be able to lease or purchase a building. Most providers begin to look at alternate sources for funding (i.e. bank financing or grants) at this point.

Participants:

- > Provider
- > Business Advisors (MESO, IRBN, CCR&R, etc)
- > Funding sources

Oversight structure: There is no single entity to which providers must submit this information. It is up to the provider to track their own information, and it forms the backbone of their subsequent work.

Support network: Technical assistance and business navigation is available through various technical assistance providers. All providers that participate in the Preschool for All Initiative are assigned a Child Care Navigator through the Preschool & Early Learning Division (PEL) or MESO and a Child Care Coach through CCR&R. Providers are able to use these support systems throughout the entire lifecycle of their business. Providers outside the PFA program seek other forms of technical assistance.

Challenges:

- > It takes time and focus to assemble the necessary documentation.
- > Providers are not always familiar with the available supports or the next steps in their process.

SECURING A SPACE

Securing a Space: Locating a space, working with an architect or real estate agent to determine suitability, and meeting with City officials to confirm required cost-related upgrades. The financial aspect of the business plan continues into this stage, as a provider needs to work with a lender to get funding, apply for grants, and apply to PFA or similar funding sources.

Participants:

- > Provider
- > Real Estate Broker
- > City Bureaus (records, 15-minute meetings)
- > Funding sources

Oversight structure: None

Support structure: Most providers work with Real Estate Brokers or Leasing Agents.

Challenges:

- > The lack of suitable properties means providers need to invest time and money to conduct a due diligence process.
- > Not all Real Estate professionals understand how to evaluate a property for use as a Certified Child Care Center. This means many providers are making significant investments without understanding the extent of building improvements they will need to make.
- > While DELC can provide input to providers at this point, they do not have the resources to review all sites.

DESIGN & PERMIT

Design and Permit: The design process involves working with an architect and engineers to develop the scope, determine code-required upgrades, develop design concepts, and produce construction drawings for the project. These documents are submitted for building permits, which might include a Change of Occupancy process. Depending on the building location, the process might start with a Conditional Use Zoning process.

CONSTRUCTION

Construction: During this phase, a general contractor bids the scope of work to subcontractors, which locks in most of the construction costs, and performs the building upgrades. Periodic inspections are required.

LICENSING

Licensing and Opening a Certified Child Care Center: This phase refers to the period of time after construction, when the provider is working to receive final business and state licensing, installing furniture, and moving in to open the Center.

Participants:

- > Provider
- > Architect
- > City Bureaus (records, 15-minute meetings, permit process)
- > Environmental Health and DELC

Participants:

- > Provider
- > Contractor
- > Architect
- > City Building Inspector, Fire Marshal

Participants:

- > Provider
- > Environmental Health Inspector
- > DELC Licensor

Oversight structure: City of Portland Bureaus, Environmental Health Reviewer*, Oregon State Department of Early Learning and Care*

Support network: Professionals hired by provider; usually led by an architect or design-build contractor. *A provider can request a plans review from Environmental Health and DELC, but few providers know it is an option.

Challenges:

- > It is complicated to design an efficient, suitable space that meets all the jurisdictional requirements.
- > The information that can be provided in 15-minute meetings with the City is limited and can vary between calls. More comprehensive meetings with the City are costly.
- > The Environmental Health Inspectors and DELC do not have a formal process or the capacity to review all plans.
- > Often, the timeline of the project or the budget need to be increased based on the requirements. See Detailed Findings for specific examples.

Oversight structure: Inspections on behalf of City bureaus, inspections by County Health.

Support network: An architect or owners' representative, hired by the provider, acts as a third party between the provider and contractor, observing that construction work follows the design intent and is on track with requests for payment by the contractor.

Challenges:

- > Unanticipated conditions can lead to changes in project cost that are hard for a provider to absorb.
- > Changes can also add time, which delays the licensing and opening of the Center.

Oversight structure: Department of Early Learning and Care, Environmental Health Inspector (County or 3rd party).

Support network: DELC assigns a licensor, who often helps the provider navigate these steps. Providers can hire a third party sanitation inspector to bypass the County inspection process.

Challenges:

- > Because most providers do not undertake a plans review process with Environmental Health or DELC, the inspection process can turn up surprises that lead to last-minute or costly changes.
- > If a provider is utilizing PFA-funded slots, they will experience a gap between when the facility opens for private pay (or alternate funding) and when the PFA funding and slots are available (see page 23).

SUMMARY OF EXISTING SUPPORTS

The table below summarizes the key activities a provider will undergo to open a Certified Child Care Center. It offers a snapshot of current services and funding available to support each activity across the three government entities, while highlighting gaps in services and opportunities to streamline the resources for providers. There are private market professionals who can perform these services; however, they are not accessible to all providers.

The check marks are color coded to indicate where there are existing programs and funding sources to support the activity areas, opportunities to increase support, and where nothing currently exists and would be beneficial to a provider.

Support provided on each stage of the Process of opening a certified child care center	City of Portland	Multnomah County	State of Oregon	Notes
Business Plan				
Support developing a business plan	✓	✓	✓	There is sufficient city, county and state support for technical assistance programs currently offered for business planning, but could be enhanced with a child care focus and relevant tools and information specific to the industry
Tools and information to go from home-based child care center to certified child care center (commercial setting)	✓	✓	✓	The State, County, and City of Portland have separate websites that address different aspects of child care. The industry would benefit from these sites being streamlined for an easier user-experience
Securing a Space				
Support and resources to assess potential properties and determine space needs	✓	✓	✓	There is currently no technical assistance to support providers as they select real estate to lease or purchase for use as a Certified Child Care Center. The Oregon Department of early Learning and Care sets space rules per children (minimum 35 sf/child). Providers need more information to determine the size of their center, accounting for common areas, administration, circulation, etc, in order to determine total space needs.
Design & Permit				
Navigation support for land use and building permitting	✓	✓	✓	There is currently no accessible, low-cost, comprehensive support to navigate through permitting. The Small Business Empowerment program is the closest to it but it's inaccessible for many providers due to limited staff and hiring a professional to navigate permitting is cost prohibitive for providers.
Tools to assess permitting requirements, fees and required improvements	✓	✓	✓	Feedback from users offered that existing permitting guides could be clearer and streamlined, the fees calculator is challenging to use, and the 15 minute permitting meetings with city staff are not comprehensive. The early assistance meetings can be cost prohibitive and do not always address provider's needs, specifically system development charges, required improvements and costs to plan financing for the project.
Construction				
Support managing construction	✓	✓	✓	No single entity provides support during construction, leaving providers with a lack of knowledge to manage unexpected changes.
Licensing				
Consistency in requirements for Fire, Health and DELC inspections	✓	✓	✓	Currently, some health/fire marshal inspectors add requirements that may not be in alignment with DELC licensing and/or city life and safety requirements which can add cost and time to projects.
Access to Capital				
Due diligence	✓	✓	✓	The Preschool For All Facilities Fund (Multnomah County), Child Care Infrastructure Fund (State of Oregon) and Tax Increment Financing (City of Portland) may be used for due diligence, but have geographic constraints and/or are temporary funding sources. Public infrastructure improvements considerably increase the capital required for these projects and it's hard to assess and plan for.
Acquisition and Buildout	✓	✓	✓	Prosper Portland is limited to TIF district's geographies. Preschool For All launched the facilities fund through BuildUP Oregon but providers not enrolled in PFA or those outside of preschool ages lack support. The state launched the Child Care Infrastructure Fund but many providers aren't able to access it. Lenders are hesitant to provide financing for both, acquisition and buildout, leaving providers with few options to finance.
Operations	✓	✓	✓	Currently, no grant programs offer support for operational expenses from licensing to opening (generally a 6 months period), this strains providers.

KEY: SUPPORT AND FUNDING

- ✓ EXISTING
- ✓ OPPORTUNITY TO INCREASE
- ✓ NOT CURRENTLY EXISTING

COHORT 1

Cohort 1 was identified through a selection process developed with SVP and Prosper Portland. The County and Preschool For All distributed fliers and fact sheets in five languages to providers across Portland. Eleven providers submitted forms. Providers were evaluated based on the PFA criteria: Care focused on priority populations (Black, Indigenous, and all children/families of color, children who speak languages other than English, children with developmental delays and disabilities, LGBTQIA+ families, infants and toddlers) and programs focused on expanding priority types of care (culturally specific care, linguistically specific care, swing shift and nontraditional hours, location in child-care deserts). The CCFN team intentionally selected providers who were at different points along their process, from just beginning a business plan to the final stages of completing construction.

While the CCFN team identified seven potential members of this cohort, only five were able to make progress towards opening a Center during the time frame of this pilot program.

COHORT 1 PROVIDERS

All of the providers in Cohort 1 were experienced business operators who had previously operated a Residential Family, Certified Family, or Certified Center. Three offered programming in Spanish. All were looking to create larger Certified Child Care Centers, with 30-60 children. The average building size was 4,000sf.

A summary of each member's unique experience is shared in the Appendix.

These case studies highlight the challenges facing mid-sized Certified Child Care Centers who seek to lease or purchase a stand-alone building in the City of Portland.

TYPICAL CHALLENGES

- > Finding a suitable space to purchase and lease.
- > Receiving estimates for right-of-way work that far exceeded their building project costs.
- > Driveway modification requirements that threatened to take away all viable outdoor play space on the property.
- > Complicated and sometimes contrary interpretations by different City bureaus about fire life safety and exiting.
- > Confusion over the requirements for kitchen equipment and infrastructure.
- > Having to complete a 10 to 12-month design and permit process before closing on a building purchase.
- > Finding a reputable construction contractor.

ADVOCACY

During the pilot, the CCFN team was able to support the providers through some of these challenges:

- > Accompanying providers on site visits to prospective buildings.
- > Sorting through public records to determine a prospective building's history.
- > Developing a preliminary suitability assessment tool to understand if a property was viable.
- > Preparing for and holding 15-minute meetings with City bureaus. Advocating for providers via email and phone calls with bureaus when the information provided in these meetings was contradictory or incomplete.
- > Developing alternate approaches to driveway configurations than those suggested by City bureaus.

COHORT 2

Cohort 2 was initially comprised of providers who submitted but were not selected for Cohort 1. Over the pilot program, more providers were invited to join meetings, focusing on those seeking to open Certified Child Care Centers within the City of Portland utilizing PFA funding. The purpose of the CCFN Cohort 2 was to gather stories and share resources with these providers. These meetings also became an opportunity for providers to connect with other providers who have been going through similar experiences. Participants enjoyed sharing tips and some expressed a real appreciation for the opportunity to collaborate and receive support.

The CCFN held five Cohort 2 meetings between November 2023 and May 2024. Over 30 providers participated. Notes are provided in the Appendix. Discussion topics included:

- > Available properties, what to look for when touring a potential property
- > Financing a building purchase
- > City of Portland zoning designations
- > Changing a building's occupancy
- > Costly aspects of building permits
- > Rules for Accessibility
- > Regional mapping of existing Child Care centers
- > PFA and State funding opportunities

Below: the English language flier used to recruit cohort members. Outreach materials were produced in Spanish, Russian, Vietnamese, and simplified Chinese.



CHILD CARE FACILITIES NAVIGATOR

Prosper Portland (PP), in partnership with Social Venture Partners (SVP), is supporting the Child Care Facilities Navigation project (CCFN). The goal is to support child care businesses as they open their facilities in line with Multnomah County's Preschool for All program.

This program will connect businesses to existing and developing resources for opening a commercial facility at any of these stages: business plan, finding a commercial space, identifying public funding sources, designing/permitting/remodeling a new space.



Information and Connections

20-25 businesses will meet in small groups with the program navigators to discuss the process and timeline for Open a certified center.

Commercial Space Technical Assistance

5-10 businesses will receive Commercial Space Technical Assistance. Navigators will support businesses where they are in the process to open a commercial space.



Focus

Existing licensed child care businesses that want to open a licensed child care center in a commercial setting within the City of Portland.

For more information



Link:

https://docs.google.com/forms/d/e/1FAIpQLSecVbXcqiGZV3sbsZGCOB6NJ5nLGEg6sS85dqBFgEvQmmBffg/viewform?usp=sf_link



Multnomah County

Section 3

FINDINGS & RECOMMENDATIONS: KEY IDEAS

The course of the CCFN pilot involved identifying big scale issues that will necessitate change at the systems-level: more building stock, more funding, more technical support, changing policy or fee structures. Section 3 addresses the key findings that emerged from the CCFN pilot. Due to the interconnectedness of these findings, the recommendations and next steps are summarized together at the end of the section. See Section 4 for Detailed Findings.

KEY FINDING 1: SPACE SHORTAGE

There is a severe lack of suitable space for providers to develop Certified Child Care Centers in Portland.

The goal of the PFA initiative is to significantly increase the number of Child Care seats in Multnomah County. To increase capacity, we cannot rely on re-using existing Child Care spaces. We need to create new publicly-funded preschool spaces via PFA, Preschool Promise, and Head Start that are suitable locations for Child Care programs, through remodeling or new construction. The challenge is that suitable existing buildings or new-build lots are hard to come by in the City of Portland.

PROFILE OF A “SUITABLE” EXISTING BUILDING:

- > Has an E (Education) or I-4 (Institutional) occupancy per building code. Very few buildings have this occupancy status, and most of these are already used for Child Care. It is possible to change the occupancy of a building, but this is a complicated process.
- > Is located in a zone that does not require a Conditional Use Permit due to the additional time and expense to complete this process. Since a Daycare use is allowed outright in many zones, this barrier is typically less significant than the building code occupancy issue.
- > Has dedicated exterior space to meet State licensing requirements. While there are provisions for exceptions (indoor gross motor space or approved plan to use nearby parks, etc), these are challenging to implement due to cost of interior space or location/ logistics of utilizing public space.
- > Can safely accommodate vehicles for drop-off and pick-up or alternative transportation (see LIIF report).
- > Is located near where families live or work (see LIIF study).

- > Is constructed in such a way that minimizes expensive upgrades (see Detailed Findings).

AVAILABILITY OF EMPTY/ BUILDABLE LOTS IN THE CITY OF PORTLAND:

The current market has a significant shortage of commercial lots that meet the specific requirements for Child Care operations. Many available properties lack the necessary space, safety features, and zoning essential for creating a conducive environment for Child Care centers. This scarcity limits the ability of providers to expand or establish new facilities.

AVAILABILITY OF SUITABLE BUILDINGS TO REMODEL IN PORTLAND:

During the CCFN pilot, the team investigated 160 potential buildings; they found:

- > Only 13 (or 8%) of the properties investigated were viable for acquisition and have the necessary space, safety features, and zoning. All of these buildings required a change of occupancy.
- > Only 57 (or 37%) of the lots available for purchase are within a price range that may be potentially accessible to child care providers. The lots are priced at and below \$1,000,000.

CHALLENGES WITH CONVERTING A LEASED SPACE INTO CHILD CARE USE:

When a provider leases a space for Child Care, they must upgrade the tenant space to meet licensing requirements. These upgrades often include fire separations between the tenant space and other areas, new exterior doors, commercial kitchen space, and lots and lots of little plumbing fixtures (the average Child Care classroom will have 3-5 sinks and 1-2 toilets). Some landlords are reluctant to rent to Child Care providers because a space, once upgraded to meet Child Care needs, is hard to use in any other way.

Additionally, many Child Care providers are reluctant to lease a space because they must invest significant capital into a building they do not own.

CHALLENGES WITH PURCHASING A BUILDING FOR CHILD CARE USE:

Many providers in the CCFN pilot preferred to purchase their building. The average building size in the CCFN Cohort 1 is 4,000 sf. These spaces are most often former residences or medical office buildings that are located in a Commercial zone or Residential Multi-Dwelling zone. While this pathway is an attractive one for a successful businessperson looking to expand, there are many challenges with this approach.

- > Their financial situation tends to limit the scale of building that can be purchased.
- > To convert these buildings into Child Care use involves extensive remodeling; [see Key Finding 2].
- > Based on informal surveys of dozens of providers, the cost to convert a building into a Child Care Center is 1.5 to 2 times the purchase price.

In some cases, it might make more sense to tear down the existing building and construct a purpose-built Child Care center. However, this approach involves significantly more financial capital. None of the providers in the CCFN pilot considered this approach.

KEY TAKEAWAY FOR FINDING 1: We cannot rely on the existing stock of E-occupancy and I-4-occupancy buildings for future Certified Child Care Centers. The most common work-around is for a provider to purchase a building and go through the complicated process of converting it into a Certified Child Care Center.

OTHER PATHWAYS ARE LISTED IN THE KEY RECOMMENDATIONS PORTION OF THIS SECTION.

KEY FINDING 2: COMPLICATED JOURNEY

The process of opening a Certified Child Care Center is complex and under-supported.

Opening a Certified Center involves many steps and is governed at the City, County, and State level. Each governing agency has its own rules, website, and inspectors. It is generally up to the Child Care provider, or someone they hire, to track and navigate the process. One lament heard from multiple Cohort members was simply “I don’t know who told me I needed to do that.” Per concurrent studies by LIIF, 43% of providers in Multnomah County considered expanding but did not start the process. Another 25% of the providers did not even consider expanding. Their reasons included perceived complication of the licensing/zoning/permitting process, cost, and lack of time to manage the project. **Clarity, tools and technical assistance across the entire process are needed.**

There is no single support system that guides a provider from the start to the finish. It is up to the provider to manage compliance and hire help when needed. During the CCFN pilot, the team encountered providers who were making their own way through the process, often without sufficient oversight or support.

OVERSIGHT STRUCTURE

Each agency has a series of policies that govern how a provider will comply with the rules, regulations, or code provisions. Each agency also has a process (or many) by which the provider submits documents and obtains approval.

As a whole, the system relies on users who have access to computers and are fluent in English. Policy documents can be very large – hundreds or thousands of pages – and are most readily accessible on-line and in English. Some City web pages are translated into the top 4

languages used in Portland (Russian, Simplified Chinese, Vietnamese, Spanish). However, the City of Portland 15-minute help line and Early Assistance meetings are conducted in English. Some technical assistance providers offer support in other languages. The DELC Rules for Certified Child Care Centers are available in Spanish.

COST AND TIMING OF GETTING INFORMATION

Getting complete information to determine project scope is challenging. The City of Portland offers free 15-minute appointments to address questions. The team found the information is limited and varies based on who is conducting the meeting. More in-depth information can be obtained by paying for a Zoning Early Assistance meeting (\$3400-4900) or a Life Safety Preliminary Meeting (\$955 for 1 hour). State licensors may offer to walk through the project site at the beginning of the process. However, the official licensing review happens at the end of the construction project, which can result in unanticipated requirements that extend time and cost. The team also found this situation can occur with fire, plumbing, and health inspections.

SUPPORT NETWORK

The technical language involved in the process, as well as inconsistent use of vocabulary and different interpretations of rules, suggest that a provider will have the most success if they have the assistance of trained professionals through this entire journey. Not every professional is familiar with the nuances of the City, County, and State requirements and can do this work efficiently. Paying for professional services (Architect, Owner’s Rep, pre-construction services from a Contractor) is expensive, approximately \$150-200/hour. All of the providers in the CCFN Cohort 1 had started their process without such assistance and realized part way through their process that they needed more help.

SELECTED CHALLENGES ALONG THE JOURNEY TO OPENING A CHILD CARE CENTER:

- > Many Cohort members could not name their business navigator or know the next step of the process.
- > Trying to find property before they had developed a business plan or gotten their paperwork in order.
- > Looking at property without a licensed real estate broker to represent them.
- > Trying to sign a lease without conducting due diligence.
- > Doing due diligence on multiple properties without support.
- > Designing a space without understanding the implications of the licensing rules on Center size.
- > Receiving inconsistent feedback from the City’s free 15-minute meetings.
- > Encountering situations where the interpretation of a rule or process was not clear or consistent, such as requirements for grease interceptors or fire sprinklers.
- > Bypassing the design and permit phase to work directly with a contractor.
- > Requirements brought up by oversight agencies that do not have formal design review processes for Child Care projects (City Plumbing, County Health and State Licensing).
- > Confusion on the timing for obtaining final sign-offs to be ready for State Licensing inspections.

KEY TAKEAWAY FOR FINDING 2:

There is no single support system that guides a provider from the start to the finish. Information lives within different agencies and can be hard and expensive to access. The ambiguities make it challenging to determine a project’s scope. As a result, many providers do not move forward, or do so at a high level of financial risk.

SPECIFIC EXAMPLES ARE CITED IN THE DETAILED FINDINGS SECTION.

Below: Example of cost breakdown for a Cohort 1 provider. Total project cost is approximately 2x original building purchase price.

KEY FINDING 3: IMPRACTICAL EQUATION

The cost and time involved in opening a Certified Child Care Center doesn't match the razor thin profits of the industry.

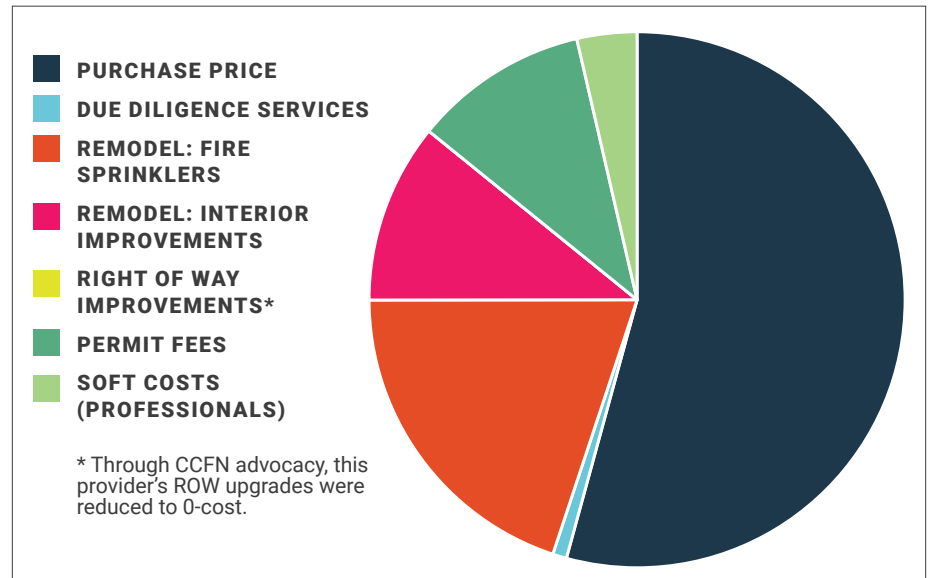
During the year and a half that the CCFN team worked with its 5 Cohort 1 providers, none of them were able to open their Center. Each faced unplanned costs or delays that nearly derailed them from continuing their process.

One provider decided not to proceed with a portion of her expansion due to mounting requirements. Another opted to use credit cards to fund unanticipated costs. A third provider, faced with rising costs, realized that available funding allocations would not be sufficient. While each provider and building condition were different, the common finding is that it is very hard to anticipate the process and align funding with project needs. On average, it takes 24 months from starting the process to opening a new Certified Child Care Center.

UNANTICIPATED OR HARD TO PREDICT COSTS:

The cost of **pre-purchase/lease due-diligence**. Providers report spending \$6,000-16,000 per property to conduct records requests, hold Early Assistance meetings with the City, pay for traffic studies (if required for a Conditional Use Permit), and hire professionals to support the process. Several providers reported investing in due-diligence on multiple properties before settling on the one they were able to develop.

The dynamic nature of **identifying project costs**. There are two code-required thresholds that are tied to permit valuation. These thresholds impact mid-sized providers like the CCFN Cohort 1 members disproportionately (for smaller projects, the thresholds would not kick in; for larger developments or a school, these thresholds would make up a small percentage of the overall costs of a renovation).



>Thresholds for Frontage

Improvement and Dedication:

Significant Alteration Threshold (35% of building Value) or certain increases in trips. We observed assessments in the \$50,000 to \$200,000 range. For another provider, her project valuation was low (\$10,000), but due to trip increases, she was required to put in sidewalks valued at \$64,000.

>Threshold for Non-conforming

Upgrades:

Permit valuation over \$356,000, up to 10% of project cost. While capped at 10%, this number rises as overall project costs increase, making it challenging for providers to budget.

Cost of enacting code-required

upgrades.

These costs vary widely; below are a selection from the CCFN Cohorts:

Seismic upgrades: can vary from adding a few tie-downs to a \$100,000+ cost.

Installing a sprinkler system with backcheck valve and pump: \$300,000

Adding a fire separation between the Child Care and another occupancy: \$15,000

> Systems Development Charges

(SDCs);

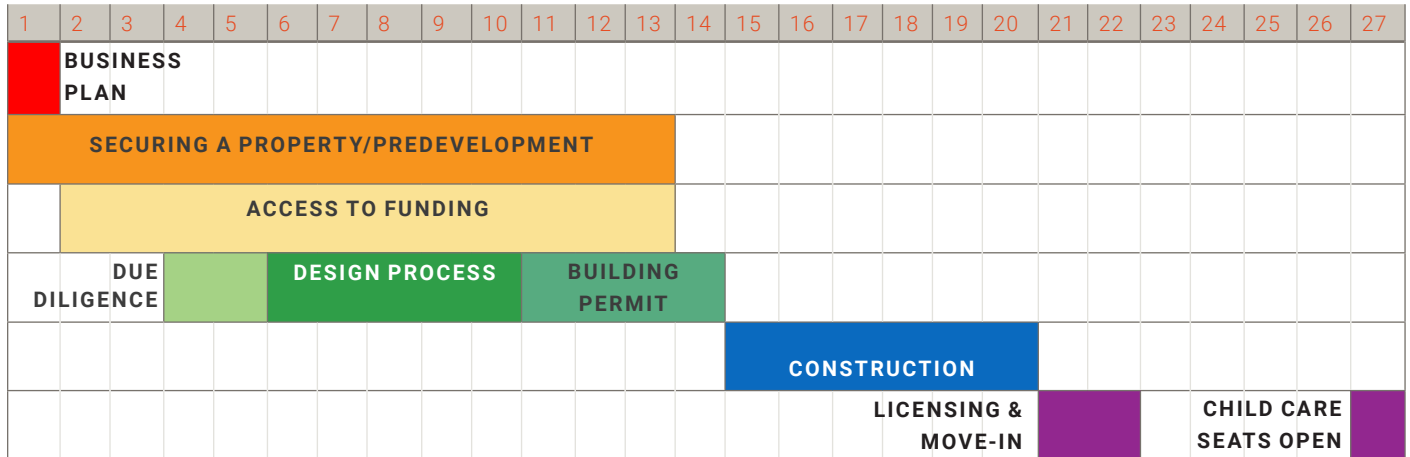
These are fees charged by the City when any development is made. Certain aspects of opening a Certified Child Care Center can add costs that are not born by other small businesses. Fees are charged for increasing trip-count to a location, adding plumbing fixtures and up-sizing a water line. For one provider in Cohort 1, the team worked through the SDC estimation calculator on the City of Portland website at the start of the project; the estimate was \$56,000. The actual fees, once all scopes had been identified, were over \$150,000.

> Professional fees

to work through complicated interpretations from governing agencies (see Key Finding 2). Depending on the complexity of the project and the experience of the professional, it is easy to spend many hours working through interpretations with governing agencies. This time is in addition to the "regular" scope of work to develop a design and construction drawings. The CCFN pilot was able to provide no-cost service to providers for some of this scope (value \$2,500-10,000).

KEY FINDING 3: IMPRACTICAL EQUATION (CONTINUED)

Below: Example of timeline for a Cohort 1 provider. It will take almost 2 years from the time a property is identified to when the business will be operating, and 4 more months to receive funding for PFA slots.



UNANTICIPATED TIME DELAYS:

- > The time frame required to gain approval for a suitable property can take from 6 months to a year (or more). This is due to the complexity of the building permit process.
 - 1-3 months for Architect to Complete Drawings
 - 0-1 month for Structural Engineering to complete assessment of Architectural Drawings
 - 1-3 months for General Contractor to complete the review and bid process
 - 3-6 months for Approval of Building Permits
- > Aligning funding with purchase: In order to build the capital necessary to acquire a property, many providers are relying on SBA Loans and State grants. The loans require building permits prior to funding (see timeline above).
- > To receive grant funds, providers are required to submit in-depth project expense information requiring a minimum of (3) bids on the project. This adds months of additional time to the process due to contractor schedules.
- > Permit timeline: In the case of one CCFN provider, she was not able to close on their property until the building permit, with an approved

Change of Occupancy, was issued. This situation will result in a 12-month duration from the time the property was identified to the time she was able to secure financing and close on the property.

> PFA funding alignment: Each provider in the CCFN pilot is planning for a portion of their slots to be funded through PFA. PFA has identified two points in the year when they will review completed Centers and establish the number of funded slots for the following school year. In the case of the provider referenced above, the project will be ready for PFA families to tour in February 2025 for a September 2025 opening. Funding for PFA slots begins 2 months before the slot opens, which means the provider will be paying operational expenses for those slots for four months before receiving tuition. Providers who are allocated slots in the spring have a facilities readiness deadline of July for a January opening.

CENTER CAN START SERVING CHILDREN AND PROVIDE TOURS FOR PROSPECTIVE CHILDCARE SEATS

PFA-FUNDED SLOTS START

KEY TAKEAWAY FOR FINDING 3:

On average, a provider has to double their initial investment to upgrade the building and site to meet project needs. This process can take 24-30 months from start to finish, during which they are not earning income. The providers are relying on grants, personal credit, home equity loans, etc. to complete the project, knowing that tuition alone will not allow them to recoup the investment and traditional financial institutions are reluctant to lend to providers because of the risks involved.

KEY RECOMMENDATIONS

1

Simplify the jurisdictional (permit) process for opening a Certified Child Care Center.

- > Identify and prioritize Child Care permit applications for coordinated review by bureau specialists familiar with the use type; consider assigning staff dedicated to reviewing Child Care projects. \$
- > Emphasize consistency in how resources are provided and projects are reviewed. \$
- > Provide transparent, no-cost resources such as user-friendly calculators \$\$.
- > Provide a lower cost access point to permit reviewers (more robust than the single 15-minute meetings, less costly than the Early Assistance meetings, which cost \$4500). \$\$
- > Clarify and adjust policy to better align with the goals of opening Certified Child Care Centers. \$\$\$
- > Reassessment of right-of-way improvement requirements. \$\$\$
- > Development of alternate sources for funding public infrastructure improvements. \$\$\$

See Detailed Findings Section 4

2

Provide **coordinated technical assistance** (i.e. navigators) and access to funding to providers along the entire timeline of their project. \$\$\$

We propose the development of a comprehensive technical navigation program, inspired by the successful Small Business Empowerment Program. This new program will assist Child Care providers, throughout all phases of opening a Certified Child Care Center, from business plan through licensing (currently, most navigational supports are only offered for the business planning side of the process).

The funding for this initiative could be supported from City, County, State or Federal programs that support child care and building permit fees for Child Care programs (annual revenue projected at \$2,400,000).

The comprehensive technical assistance program will target providers who are expanding their services into commercial properties and need assistance with the complex process (see Key Finding 2). The program aims to simplify this process, ensuring providers can focus on delivering high-quality Child Care without the added stress of navigating bureaucratic hurdles.

Provide access to funding along entire timeline of project. \$\$\$ Providers need to have funding to complete critical steps in the process: due diligence on properties, professional and permit fees to support design and permit process, payments to 3 or more contractors to get competing bids, and the actual progress payments on the construction project. BuildUp Oregon is working on identifying mechanisms for aligning the current funding streams to the development timeline. Additional funding support is needed to address the child care needs of the workforce in our community.

3

Develop a **one-stop resource** tool (i.e. website) for providers to understand the process of developing a Certified Child Care Center. This resource will help providers by demystifying the process, streamline the time it takes for their hired professionals to navigate, and make it easier for other entities, such as landlords and developers, to support the creation of more Certified Child Care Centers.

This tool will require coordination and buy-in from all parties: DELC, City, County, etc. Many good efforts have been made to make the City processes more transparent. However, the CCFN pilot exposed many points of confusion for providers and inconsistencies and lack of understanding between bureaus. Examples range from the basic: providers being confused about the difference between zoning and building code language, to the complex: see the “Kitchens” section of the Detailed Findings. Many of the tools that exist are scattered across different agency websites and rely on fluency in both English and in technical subjects. This resource would include:

- > All elements of the process framework, from business plan to licensing. \$\$
- > Clear explanation of the DELC and Environmental Health requirements for a Certified Child Care Center. \$\$
- > Worksheets and calculators to support clarity and clear communication across agencies, such as determining plumbing fixture requirements, how to budget for ADA upgrades, and when a project’s size will trigger right-of-way upgrades. \$\$
- > A project budget calculator. \$\$
- > Ways providers and their support network can seek answers outside working hours. \$\$
- > A glossary (see Appendix for start). \$\$

KEY: PERCEIVED LEVEL OF EXPENSE

\$ LOW

\$\$ MEDIUM

\$\$\$ HIGH

4

Create a **system of ready-made spaces** for providers. After studying the challenge of converting existing buildings into Child Care Centers (see Key Finding 1), the CCFN team recommends that other building pathways be explored. Each of these topics could benefit from further study to clarify the opportunity, funding or policy support, and potential challenges.

LEASE:

- > Identify other building types that have a simpler path to conversion into Child Care Space (i.e. ground floor of an office building where the Daycare use is less than 1/3 of building occupancy). \$\$\$
- > Incentivize developers to design ground-floor tenant spaces with Child Care in mind. \$\$\$
- > Identify pathways to develop ready-made Child Care Spaces within new or existing commercial or housing buildings (i.e. turn-key or plug-and-play spaces that are permanently dedicated to Child Care, regardless if the provider changes over time). \$\$\$
- > Identify opportunities for independent providers to operate a Certified Child Care Center within public school buildings. This pathway is attractive from a building standpoint because public schools are already E-occupancies, usually have ample area for exterior play, parking/drop-off, and are located near residential neighborhoods. \$

PURCHASE:

- > Reduce the cost and time barriers that currently exist for converting an existing building into an E- or I-4 occupancy. See Key Finding 3.

NEW BUILD:

- > Explore alternate scenarios (i.e. modulars, prototypes) that can be built on open properties. Outline where these options could be located within City of Portland. \$\$\$
- > Support providers on a path to build new, customized Certified Child Care centers instead of remodeling ill-suited existing buildings. While currently an option, this path is often more expensive and harder to obtain financing. \$\$\$

SEE SECTION 1, EXECUTIVE SUMMARY, FOR NEXT STEPS IDENTIFIED BY PROSPER PORTLAND.

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Section 4

DETAILED FINDINGS

In the course of providing navigation services, the CCFN team encountered many aspects of the process for opening a Child Care facility that were challenging. These detailed findings have been organized into the categories of the process framework. While not exhaustive, this section highlights many of the most common issues that surfaced during the CCFN pilot, along with clarifications. Where possible, the team has outlined potential Process- and Policy-based recommendations. Note: the City of Portland Bureau structure introduced a single permit authority on July 1, 2024. Since the CCFN research occurred prior to this change, all bureau process and policy references reflect the previous bureau structures.

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Detailed Findings Part 1

BUSINESS PLAN

1A PLANNING FOR A LARGER BUSINESS

1B LOCATION CHALLENGES

1C SETTING A SPACE BUDGET

1D SETTING A FINANCIAL BUDGET

1E DOCUMENTS NEEDED

1F ALIGNMENT OF FUNDING AT EVERY STAGE

The CCFN framework uses Business Plan to cover the pre-work that a provider undergoes to determine the feasibility of expanding or opening a Certified Child Care Center. It includes developing the business idea, understanding finances, and deciding on the size of the Center (critical for identifying space needs, future income, and budget). Providers must collect specific financial records to be able to lease or purchase a building. Most providers begin to look at alternate sources for funding (i.e. bank financing or grants) at this point.

1A Planning for a Larger Business

Challenge of planning the financial needs for a larger Center when provider has a smaller Center.

SUMMARY:

Creating a business plan for a new, larger Certified Child Care program based on a current small-scale site involves significant changes in operations, such as hiring more staff, increasing administrative responsibilities, and managing more complex logistics. Providers need to ensure they have the infrastructure to support these operational shifts. Financial projections are difficult to estimate since small-scale operations don't provide accurate data to forecast future revenues and expenses. Estimating increased revenue involves accounting for variables like occupancy rates, tuition fees, and additional services, along with higher expenses such as rent, utilities, and salaries.

Planning the design and layout of a larger facility requires care to maximize space utilization and support learning and safety. Providers need to collaborate with architects to create a compliant space. Costs can be difficult to estimate due to the unique challenges that each property encounters during the building permit process, particularly if a Change of Occupancy is needed. **See Key Finding 3 and Detailed Findings/Design & Permit.**

Cash flow management is another critical issue, as transitioning to a larger center often involves significant upfront investments. Providers must ensure they have adequate funding and cash flow management plans to cover initial expenses and sustain operations until the center becomes profitable.

In order to obtain bank loans and other forms of financial support, a provider has to assemble documentation that supports all of these business ideas. In many cases, a financial institution required that the change of occupancy permit be issued prior to closing on the property.

PROCESS RECOMMENDATIONS:

To support the growth and sustainability of childcare providers, it is essential to invest in Technical Assistance (TA), peer mentor programs and educational resources. Innovative tools to streamline business operations would let providers focus more on the core elements of their business, reducing the time and resources spent on complex documentation.

Simplification could involve providing clear guidelines and templates that outline the essential components of a business plan, such as market analysis, financial projections, staffing plans, and compliance strategies, in a more user-friendly manner. \$\$ This approach will demystify the process, making it more accessible to providers who do not have extensive business backgrounds.

Offering support and resources, such as workshops or consulting services, can further assist providers in navigating the planning process. It is also possible that an Artificial Intelligence (AI) tool could guide providers through the necessary steps. \$\$

PROGRAM RECOMMENDATIONS:

While the ideal solution would be for banks to simplify their loan process, the more realistic steps for the purpose of this audience is to support providers as they navigate the financing process. A program strategy could be to establish gap financing to support providers during the time they are developing their business plan and applying for loans.

\$\$\$

See Detailed Finding 1E and 2C for more ideas on financing projects.

KEY: PERCEIVED LEVEL OF EXPENSE

\$ LOW

\$\$ MEDIUM

\$\$\$ HIGH

1B Location Challenges

Business challenge of where to locate a center and the Policy challenge of how to incentivize locating centers where they are needed.

SUMMARY: PFA and providers are interested in locating Certified Child Care Centers in areas where they will be needed. City and County leaders are also interested in understanding barriers to locating facilities where they are most needed.

CLARIFICATION:

LIIF has created a Multnomah County mapping tool to show the locations of Child Care facilities, population and employment centers. This tool is useful for providers to understand areas of high supply or demand:

<https://arcg.is/1bC8rm1>

PROCESS RECOMMENDATION:

Provide training to navigators so they are aware of the resource and know how to use it.

POLICY RECOMMENDATIONS:

The LIIF tool can also be used by jurisdictions to understand where incentives or code exceptions would have the most impact in encouraging the establishment of new Child Care facilities. \$\$\$ We recommend that BPS be made aware of the tool and participate in further discussion about the data and ways zoning policy might support it.

1C Setting a Space Budget

Setting a realistic space budget for a program (or understanding how many children can fit in a space)

SUMMARY: One of the most significant components of a provider's business plan is determining how much space to rent or purchase. The area required for a Certified Child Care space is influenced by several factors: DELC and building code minimums, the rules for group size and supervision, and the other space needs of the Center. Some providers mistakenly use the DELC requirement for 35sf/child as the space allotment for the building. During the CCFN pilot, one provider shared that she had been planning to fit 100 children in a 3500 square foot space. After completing the build-out, she could only fit 51 (which, based on the clarifications to the right, is still a very efficient use of space). Nonetheless, this discrepancy in spatial understanding led to a significant realignment of her business plan.

CLARIFICATION:

The minimum usable interior space for a classroom in a Certified Center is 35sf/child (and 50sf/child is often recommended as best practice).

A classroom requires space more than what is allocated per student, to accommodate non-student spaces (storage, space for teacher, restrooms, and areas children cannot access).

The actual non-student space can vary. Bridge Housing's Handbook identified a suggested range of 88sf to 125sf per child when sizing a center. This metric is very useful at the beginning stages of planning a business. For example, a provider who wants to serve 40 students should budget to lease or purchase 3,520 to 5,000 net square feet of space. While some Centers are able to make a layout work more efficiently, the required space is still significantly more than the 35sf/child minimum number. The CCFN created a worksheet with recommended calculators for developing classroom, building, and exterior space sizing. [\\$](#)

See Section 5, Appendix.

1D Setting a Financial Budget

Setting a realistic financial budget for purchasing and renovating a building

SUMMARY:

During the CCFN pilot, it became clear that there were so many variables in finding and building out a Certified Child Care Center space that it is hard for a provider to develop a realistic construction budget during the business plan stage. This challenge is significant, as the budget informs how a provider seeks financing and grants.

CLARIFICATION:

Anecdotally, Cohort #1 providers spent a factor of 1.5 to 2 times the purchase cost of their building to complete their build-out (for example, a \$1,000,000 purchase cost becomes a \$1,500,000 to \$2,000,000 project cost after all upgrades are made). **See Key Finding 3.**

PROCESS RECOMMENDATIONS:

The CCFN pilot and LIIF developed tools for budgeting a Center. As part of the Key Recommendations, these need to be developed into an accessible resource for providers. \$\$

1E Documents Needed

Having proper documents to be ready to purchase or lease

SUMMARY: Tenants must have specific documentation to complete the commercial lease agreement process. New Businesses need more education on the requirements associated with leasing or purchasing a commercial space. The owner's personal credit will be considered for a new business, thus complicating access to the commercial space for new business owners.

CLARIFICATION:

The following documents are generally required for a commercial lease:

EXISTING BUSINESS:

- > (2-years) of Profit and Loss Statements
- > (2-years) of Business Tax Returns
- > Current Balance Sheet

NEW BUSINESS:

- > Business Plan
- > (2-years) of Personal Tax Returns
- > Individual Financial Statement

PROCESS RECOMMENDATIONS:

While State law states that only people with a real estate license support a transaction, we recommend equipping Technical Assistance providers with training materials specifically developed for new tenants that explain the requirements for leasing commercial space. Technical assistance providers can offer invaluable support in areas outside the direct scope of real estate transactions, such as financial planning, business plan development, and navigating regulatory requirements.

Collaboration between licensed real estate professionals and technical assistance providers can create a seamless support system, ensuring all legal requirements are met while maximizing the resources available to childcare providers. \$\$

1F Alignment of Funding

Alignment of funding at every stage of the process.

SUMMARY:

A provider will need the ability to pay for many goods and services well in advance of opening their facility. The challenge is that some of the funding mechanisms are not aligned with when payments are made. In some cases, providers don't know about start-up funds until they have already incurred those costs (and thus unable to claim them).

CLARIFICATION: Providers and financial backers need to understand the critical points along a provider's process that require funding:

- > Pre-development (or due-diligence) phase: Professionals to review prospective building(s), City meetings, traffic studies, geotechnical reports, etc.
- > Lease or Purchase point.
- > Design: professional fees, City meetings, SDC and Permit fees.
- > Bidding: getting multiple contractor bids for proposed building upgrades in order to access grant fundings.
- > Construction: professional fees, progress payments to Contractor.
- > Opening: final licensing fees, furniture, books, time between when facility is complete and children start attending.

PROCESS RECOMMENDATIONS:

Utilize Technical Assistance support to make sure each provider understands the landscape of funding options and the timeline for when payments need to be made. \$

PROGRAM RECOMMENDATIONS:

see **Detailed Finding 1A and 2C** for recommendations to support providers during the financing process. \$\$\$

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Detailed Findings Part 2

SECURING A SPACE

2A LOCATING SUITABLE PLACES

2B CONDUCTING DUE DILIGENCE

2C SECURING FINANCING

The CCFN framework uses Securing a Space to cover the time a provider spends locating a space, working with an architect or real estate agent to determine suitability, and meeting with City officials to confirm required cost-related upgrades. The financial aspect of the business plan continues into this stage, as a provider needs to work with a lender to get funding, apply for grants, and apply to PFA or similar funding sources.

2A Locating Suitable Places

The challenge of finding existing buildings that are suitable for Certified Child Care Center use.

SUMMARY:

The scarcity of suitable commercial spaces for Child Care providers seeking to expand early childhood education in Multnomah County presents a significant challenge. There are very few properties for sale or lease with the requisite building occupancy classification (E Education or I-4 Institutional). This shortage impedes the growth and accessibility of early childhood education but also underscores the pressing need for collaborative efforts to address regulatory barriers and facilitate the expansion of quality Certified Child Care services in our community. In the CCFN pilot program, every property that was studied required a change of occupancy as part of the building permit, which is both time-consuming and expensive. **See Key Finding #1.**

CLARIFICATION:

Providers need to work with knowledgeable people as they look at potential properties: either a licensed real estate broker with experience in child care spaces or a trained navigator who can support a broker. An experienced broker will be able to assist with negotiations articulate the extended timelines that are associated with the escrow process understand when to request concessions in price or general conditions vital to the provider's interest. Once a provider has identified properties that meet the initial requirements, they should make a public records request from the City of Portland (\$15, on-line request form) to get access to past permit and renovation data. **See Detailed Finding 2B** for more information on the Due Diligence process.

PROCESS RECOMMENDATIONS:

Allocate more resources to posting key information on Portland Maps: Currently, Portland Maps shows accurate zoning information, but does not include building occupancy (unless it has been captured within the permit data under the "assessor" tab). Key data for assessing a property for Child Care use would include current and previous building occupancies, construction type, and permit work related to seismic upgrades. **\$\$** Having this information readily available would simplify the initial steps of the due diligence process.

POLICY RECOMMENDATIONS:

Simplify the building permit process to obtain a Change of Occupancy. **See Key Findings. \$\$**

Consider exemptions to non-conforming upgrades or right-of-way improvements if a building has previously been designated an E or I-4 occupancy. **\$\$**

2B Conducting Due Diligence

Analyzing a potential property before lease or purchase to confirm it is a good choice for the provider.

SUMMARY: Whether leasing or purchasing a property, a provider needs to understand the risks and key cost drivers. This phase is referred to as the “due diligence” phase. Unfortunately, there is currently no single list or resource that helps a provider evaluate the suitability of a property. Skipping through this phase or moving too fast can result in significant cost or time delays.

CLARIFICATION: The CCFN team has developed a basic tool for providers, brokers, and design professionals to use when analyzing a potential property. **See Section 5, Appendix.** We recommend providers know when they need to hire professionals to support their process:

> **LEVEL 1:** Go/No-go evaluation on a property (information a provider can obtain from Portland Maps and Google Street View). **See Detailed Findings Design & Permit** for more information on each of these steps:

Zoning allows Daycare without a Conditional Use permit.

Size of interior space meets provider’s needs and DELC rules.

Exterior play space meets provider’s needs and DELC rules.

There is adequate space for parking and drop-off to meet the practical needs of the provider and the DELC

> **LEVEL 2:** Complexity analysis (pre-architect, what a provider would do with a Broker or by themselves)

Determine existing occupancy classifications. This step involves a public records request unless a change was made in recent years, in which case the permit will be listed in Portland Maps under the Permits & Zoning section (look for the permit where the Change of Occupancy was enacted).

Identify major upgrades that will be required for the space to become a Child Care facility. **See Detailed Findings Design & Permit** for more information.

> **LEVEL 3:** Full scope identification (recommend hiring an architect with experience in Child Care facilities). This phase of analysis requires a higher level of scrutiny and expense.

Outline requirements to obtain a Conditional Use Permit (if needed).

Building upgrades to meet occupancy requirements of an E or I-4 space.

Right-of-way upgrades (if trip generation or building valuation threshold is met).

Site upgrades to meet non-conforming upgrades (if cost threshold is met).

Site and building upgrades to meet ADA (accessibility) requirements.

Other requirements.

PROCESS RECOMMENDATIONS:

Provide navigation services and resource tools for providers throughout the entire process of opening a Certified Child Care Center, **see Key Findings. \$\$**

PROGRAM RECOMMENDATIONS:

Provide pre-development funding for providers to enlist the help of qualified providers for Level 2 and Level 3 due diligence. **\$\$\$**

2C Securing Financing

Finding a way to support providers while they make the leap from selecting a space to securing financing.

SUMMARY:

Securing financing to acquire commercial property poses challenges for Child Care providers due to requirements set forth by loan products, such as those from the Small Business Administration (SBA). The SBA mandates that the property must receive approval of the submitted building permit application for a change of occupancy before funding can proceed. It can take 2-6 months to develop permit drawings, and another 3-6 months for the jurisdiction to approve the permit application, which includes approving the change of occupancy.

These factors extend the transaction timeline substantially, which is problematic for sellers, who prefer quicker transactions to minimize holding costs and uncertainty. When sellers face delays due to the additional time Child Care providers need for permit approvals, they are more likely to sell their property to other buyers who do not have the same restrictions and can close the deal faster. This puts Child Care providers at a disadvantage in the competitive real estate market.

PROCESS RECOMMENDATIONS:

The City could support providers by providing a letter to a lender explaining that a preliminary building permit (with or without a change of occupancy) is approvable based on the information provided at permit application \$\$ (rather than the lender having to wait 3-5 months for the final permit outcome to be able to close on the property).

PROGRAM RECOMMENDATIONS:

Develop alternate ways to support early project development:

1) Provide gap funding to providers as they pay for the professional services and permit fees necessary to obtain the change of occupancy while they wait for their long-term financing to be secured. \$\$\$

2) Create a development fund, with low- to no-interest loans that developers can draw on to facilitate converting a property to an E or I-4 occupancy. The loan would incentivize property owners to make the needed upgrades prior to attracting a tenant or buyer. \$\$\$

The topics in this section cover many, but not all, aspects of the third section of the CCFN framework: the Design and Permit process. Most of the challenges that were found were related to how to find and plan for the required steps to get a permit for a renovation to an existing building. Some of these topics should be referenced during the due diligence phase of locating a property, **see Detailed Finding 2B**. Some of these topics will follow the provider into the final stages of inspections and licensure. The CCFN started a checklist document to assist providers, real estate brokers, and architects when evaluating a property for lease or purchase, **see Section 5, Appendix**.

This section is organized in general order of magnitude that a provider will want to know about these issues, especially if the details mean that a project is no longer financially feasible:

Detailed Findings Part 3

DESIGN & PERMIT

3A CONDITIONAL USE (BDS-BPS)

3B CHANGE OF OCCUPANCY (BDS)

3C FRONTAGE IMPROVEMENTS IN ROW (PBOT)

3D DRIVEWAY IMPROVEMENTS (PBOT)

3E NON-CONFORMING UPGRADES ON PROPERTY (BDS-BPS)

3F ACCESSIBILITY UPGRADES ON PROPERTY (BDS/ADA)

3G MULTI-AGENCY TOPICS SPECIFIC TO CHILD CARE FACILITIES

- > Kitchens
- > Grease Interceptors
- > Sinks and Drinking Fountains
- > Toilet rooms
- > Fire Sprinklers
- > Trash Enclosures
- > Fences
- > System Development Charges

3A Conditional Use Permit

When a site's zoning designation means that Daycare is a Conditional or Limited Use

SUMMARY:

As Key Finding #1 pointed out, there is a shortage of spaces that are suitable for Child Care facilities in Portland. Many of the zones that do allow Daycare use (the zoning term used to describe Certified Child Care Centers), such as Commercial and Employment zones, are not conducive due to a lack of drop-off space or exterior play areas. To find an available building that works, some providers find themselves in the position of adding another step to their process: getting a Conditional Use Permit (CUP).

The City of Portland Title 33 Zoning Code outlines Allowed and Limited/Conditional uses in each zone. It is possible to locate a Certified Center in any zone, however, it might require a CUP. In many zones, the threshold for a CUP is a Daycare over 3,000sf. While 3,000sf might be a large Center in a residential zone, the 24-34 children that this space serves is relatively small for the scale of multi-dwelling, commercial, employment, or industrial zones. A CUP process can take a long time, often involves providing additional data (such as a traffic study) and incurs fees in the \$10,000-30,000 range. A CUP can also be required when the project impacts parking or other development codes.

CLARIFICATION: See Section 5 Appendix for a zoning summary that lists when a CCC is a permitted or conditional use.

Note: None of the providers in the CCFN pilot program were undergoing a CUP, so the team was not able to develop clarifications that might aid other providers as they go through this process.

PROCESS RECOMMENDATIONS:

There are several references in the zoning code about positive synergies between Daycare and other uses (for example, as an active ground floor use) or Plan Districts where Daycare use is incentivized. There are also conditions where a Daycare might be an accessory use within a building. **We recommend that the City share more information about these unique conditions, to attract more providers or developers to consider placing Child Care Centers in these areas. \$**

POLICY RECOMMENDATIONS:

State House Bill 3109 has opened the door to removing zoning restrictions on where Child Care uses can be located, specifically in industrial areas that are not specifically designated for heavy industrial use. Portland has two zones, IG1 and IG2, where a Daycare over 3,000sf is a Conditional Use. **We recommend that the City revisit the allowed use tables for each zone in order to make more areas conducive to Certified Child Care facilities. \$\$**

There are other cases where Portland Development standards have changed (for example, to remove parking minimums), but the threshold where a CUP is required has not changed. **We recommend that the City review its policies to reduce barriers. \$\$**

3B Change of Occupancy

Determining impacts of a building permit with a Change of Occupancy for a property.

SUMMARY: A Certified Child Care space must be an E or I-4 occupancy. Since most existing buildings do not have this designation, it is likely that a provider will need to undergo a Change of Occupancy as part of the building permit process. This process can trigger a seismic upgrade and other significant upgrades to ensure the building meets building codes. **See Detailed Findings/Design & Permit** for more information.

CLARIFICATION: As outlined in Detailed Finding 2B “Level 3” due diligence phase, an architect should analyze the building with regards to compliance for an E or I-4 occupancy use.

A seismic upgrade is required per City of Portland Title 24.85 if the building is moving to a Higher Relative Hazard Classification and is changing over 1/3 of the floor area or increasing the occupancy load by 150 or more people. The relative complexity of an upgrade will depend on when the original building was constructed and the materials used in the structure. Note: if a building was designated as an E or I-4 occupancy classification on October 1, 2004, it might be exempt from a seismic upgrade.

Other parts of existing building construction that must be analyzed for compliance with current code are associated with where the building sits relative to the property lines – openings, fire resistance rating, overhangs and parapets etc.

PROCESS RECOMMENDATIONS:

The building upgrades associated with a Change of Occupancy can be quite extensive. See Key Findings for recommendations for a one-stop resource and professional navigation supports.

POLICY RECOMMENDATIONS:

The CCFN team recognizes the importance of the fire/life-safety building codes as applied to a Child Care use. There is no recommendation to change policy related to the building code itself.

PROGRAM RECOMMENDATIONS:

Explore funding programs to support seismic upgrades for existing buildings. \$\$\$

3C Frontage Improvements

Understanding if a project will require upgrades to the street and sidewalk (Right of Way or ROW)

SUMMARY:

A provider must know about and anticipate the costs associated with potential right-of-way upgrades. There are two thresholds: (1) an increase in daily vehicle trips generated by the use at the site, and (2) when the valuation of the project exceeds 35% of Improvement Valuation (according to tax assessment). If the threshold for trip generation is met, the City can also require that a property owner dedicate land to the right-of-way.

The impact of this requirement can be huge for a Child Care provider. In the CCFN Cohorts, many providers shared stories of having to make at least one required upgrade to their ROW. Examples include providing new sidewalks (estimated at \$70,000-\$200,000 in cost), removing signs and other elements that impeded an existing sidewalk (estimated at \$50,000 in cost), and constructing ADA curb ramps at sidewalk corners (estimated at \$40,000 in cost). Some providers received a rough order of cost magnitude from the City, but found that actual Contractor estimates to do the

work were more expensive.

CLARIFICATION: The provider/professional team can use PBOT resources, such as TRN-1.30 to determine the trip generation for a site. They should to contact PBOT at the beginning of the process and ask for input on determining this number and whether it will result in an increase in trips to the site.

If a provider knows their construction budget, they can use www.portlandmaps.com to determine if they will meet the 35% valuation threshold. Once on the subject property, click “assessor detail” button, then scroll down to the “improvements” tab and view “Improvement value”. This is the number that PBOT uses to calculate the 35% threshold.

Once these two thresholds have been determined, the provider needs to work with the City to determine the scope of the required improvements. The City currently offers two levels of support: a free 15-minute meeting with a PBOT reviewer, or an Early Assistance meeting (fees start at \$4,500). **See Key Finding #2** for challenges associated with getting consistent information.

They can reference TRN 1.27 for optional documentation that can be provided to support an “Alternative Review” to PBOT. An applicant can propose an alternative to the standard (such as doing nothing or something simpler and cheaper than the usual requirement).

PROCESS RECOMMENDATIONS:

As part of Key Recommendation #4, provide a trip generation calculator to make it easier to determine if the increase in daily trips will be reached. Currently, this information is challenging to find and interpret. Explore ways to provide typical trip rates, in the same units, for office, medical, school, and daycare uses. Where there are different ways to calculate building capacity, allow the lesser of the two to be used (GFA or student capacity calculation).

Provide a project valuation worksheet

to make it easier for a permit applicant to understand if the significant valuation threshold applies to them. \$\$ Include information on where to find the tax assessment and any improvements that are exempt from the project valuation.

Explore ways to provide consistent, high-level evaluation of a property with an eye towards ROW upgrades so that a provider can assess the potential upgrades early in their process (ideally during the due-diligence phase) and determine if the property is viable to convert to daycare use. \$\$ This service could potentially be offered via a 15-minute appointment with a PBOT permitting specialist.

POLICY RECOMMENDATIONS:

Child Care providers bear an unusual burden within the regulatory system. They are subject to many required costs due to licensing and change of occupancy upgrades. We recommend changes be made to the Frontage Improvement policies:

- > Consider changing the valuation threshold. \$\$ Construction prices have been rising much faster than assessed property values, which means that projects are hitting this trigger for modest renovations.
- > Explore ways to reduce the cost impact and process burden of ROW improvements on Child Care Providers. Options could include creating exceptions to the Trip Generation and Significant Alteration Threshold for Certified Child Care Centers, allowing improvements to be phased over time, or finding alternate mechanisms to fund and construct upgrades. \$\$

See also **Key Recommendation #3, Simplify the permit process.**

3D Driveway Upgrades

Understanding if a project will require Driveway Upgrades.

SUMMARY:

The City of Portland Title 17 Driveway guidelines are designed to evaluate existing driveways for safety. These rules always apply, regardless of the size or value of a renovation or construction process.

Child Care providers often need to rely on existing curb cuts to allow for safe drop-off and pick-up of children when the site is on a busy street. With the relatively small size of Portland lots, and the competing needs of parking, drop-off, play space, and landscape buffers, some properties will need leniency or exceptions to allow a Commercial Child Care Center to operate.

CLARIFICATIONS: The provider/professional team needs to contact PBOT at the beginning of the design process to confirm potential issues. the website <https://pbotapps.portland.gov/streets-pdx/>, Title 17.28 and TRN-10.40 are existing resources. A Driveway Design Exception (DDE) process can be used to request alternate solutions, but many providers aren't aware of this process when they are evaluating their property. Finding an alternate solution that also meets the requirements of the Certified Child Care Center can be challenging.

PROCESS RECOMMENDATIONS:

Include a driveway review in the process recommendation for a simple, high-level evaluation of a property with an eye towards ROW upgrades, **per Detailed Finding 3C. \$\$**

Provide extra support to providers to look for safe solutions that balance the needs of the Center and minimize costs.

This support could look include waiving the requirement to eliminate a second driveway or removing a landscape buffer requirement.

POLICY RECOMMENDATION:

While the driveway changes may be necessary for safety, explore alternate ways to fund and construct upgrades without burdening Child Care projects, **see also Detailed Finding 3C. \$\$**

3E Non-conforming Upgrades

Determining the cost and extents of non-conforming upgrades.

SUMMARY:

A provider must budget for nonconforming upgrades within a remodel project. When a project value exceeds \$356,000, the Bureau of Development Services will review the site for non-conforming upgrades (NCUs). If triggered, the owner must spend 10% of the overall budget on non-conforming upgrades. These include meeting landscaping and tree requirements, pedestrian circulation requirements, bicycle parking, landscape screening, and parking lot/storage paving.

Note: this is a challenging budget item for a provider, as they will not know their project valuation until they have completed design and received contractor bids.

CLARIFICATION:

The City offers two options for meeting the requirement. The simplest way for a provider to budget for these costs is to plan on spending 10% of their budget on non-conforming upgrades.

The Owner is capped at 10% of the project valuation. If the site can be brought into conformance for less than 10%, then that is satisfactory as well. For example, if the only non-conforming item is lack of bicycle parking the client could reconcile that for a nominal amount of money. Owners are allowed to defer NCU for a certain time period (depends on the size of the site, but typically 3-5 years) and then must come back and bring everything into conformance at that time.

PROCESS RECOMMENDATIONS:

Provide a project valuation calculator to make it easier for a permit applicant to understand if the nonconforming upgrades threshold applies to them. **\$\$** The calculator should include information on improvements that are exempt from the project valuation, such as cost of removing architectural barriers and cost of required seismic upgrades.

POLICY RECOMMENDATIONS:

Child Care providers bear an unusual burden within the regulatory system. They are subject to numerous required costs based on licensing and building codes. We recommend changes be made to the non-conforming upgrades policies:

- > Consider an exception to the non-conforming upgrade requirement for Child Care Centers. **\$\$**
- > Allow providers to perform improvements over time without requiring full conformance. **\$**
- > Explore alternate ways to fund and construct upgrades without burdening Child Care projects. **\$\$**

See also **Key Recommendation #3, Simplify the permit process.**

3F Accessibility Upgrades

Understanding how to calculate and meet the 25% ADA (Americans with Disability Act) threshold for a remodel.

SUMMARY: All new construction must meet the ADA requirements of OSSC Chapter 11.

In a remodel project, a provider must budget for ADA upgrades. Per Oregon building code, up to 25% of the cost of alterations to areas of primary function must be used to bring buildings closer to compliance with ADA for all construction projects. The order of prioritization of upgrades is defined as: accessible parking, accessibility entrance, accessible route, accessible restroom for each sex or single unisex restroom.

CLARIFICATION:

The 25% rule only applies to areas of primary function. For a Child Care facility, this would be the classrooms and shared areas where the children spend their time. In order to calculate the threshold of required upgrades, one must subtract the costs already budgeted towards removing architectural barriers within the scope of work, the cost of alterations not affecting the area of primary function, and the costs of seismic upgrades.

PROCESS RECOMMENDATIONS:

As part of Key Recommendation #4 provide a worksheet for applicants to establish the approximate permit value, the cost of alterations affecting areas of primary function, and the resulting 25% requirement. \$\$

POLICY RECOMMENDATION:

ADA compliance is part of Federal Law. Clear information (see Process recommendation) would make it easier for providers to plan for the associated expenses.

3G Specific Child Care Requirements

There are many specific requirements for Certified Child Care Centers that span the different City agencies, the County, and the State. These need to be reviewed across the jurisdictions to achieve better clarity and streamline the process.

KITCHEN REQUIREMENTS (BES, PLUMBING, FIRE, DELC, MCHD)

SUMMARY:

Child Care Centers provide food to the children in their care over the course of the day. The level of food preparation can range from basic snacks or microwaved food to light preparation to cooking/cooling of large quantities of food. One of the challenges uncovered during the CCFN pilot is that kitchens and kitchen equipment are governed by multiple agencies: DELC, Multnomah County Health Department (MCHD), BES, Plumbing, and the Fire Bureau.

It is not uncommon to hear from a provider that they were told during final inspections that they needed a different piece of equipment or drain device. The challenge for a provider is how to determine the type of kitchen equipment needed, and the requirements, and how to get review/sign-off on them so that they do not encounter unexpected requirements during construction or licensing inspections.

CLARIFICATIONS:

BES does not define the threshold for a commercial food establishment.

DELC rules require that a Center with over 19 children have a commercial dishwasher and 2-compartment sink, or a 3-compartment sink.

Portland Fire code allows a single domestic cooking stove/hood to be used in a daycare context. Multiple cook tops require an appeal or use of a Type I or II vent hood.

The CCFN outlined three types of kitchens that are common in Child Care Centers. None would be considered a "commercial food establishment" per the City of Portland.

1. Reheat kitchen: Buying pre-made food and heating up. Domestic refrigerator/freezer, microwave, commercial dishwasher + hand wash sink + 2-compartment sink. No prep sink. All sinks and dishwasher use indirect drain.
2. Light prep: Some reheating and minimal cooking with no fats. Domestic refrigerator/freezer, domestic range/hood, microwave, commercial dishwasher + hand wash sink + 2-compartment sink. No prep sink. All sinks and dishwasher use indirect drain.
3. Scratch cooking: Larger quantity cooking, including pre-making and cooling trays of food. Domestic or commercial refrigerator/freezer, domestic or commercial range/hood, microwave, commercial dishwasher + hand wash sink + 2-compartment sink + prep sink. All sinks and dishwasher use indirect drain. Will likely require grease interceptor (see next section).

PROCESS RECOMMENDATIONS: There are no required plan reviews by DELC, MCHD, or Plumbing. In order to avoid unnecessary surprises at the end of a project, we recommend that a Plumbing review be implemented for every Child Care Center, and that DELC and MCHD offer an optional plan review process. §§ Additional recommendations are included in the next section about Grease Interceptors.

City/BES could also provide clearer recommendations about which levels of kitchens do and do not meet the threshold for a commercial food establishment. § From our understanding above, #1 and #2 are not commercial kitchens. #3 could be interpreted as one, but not always.

GREASE INTERCEPTORS (BES AND PLUMBING):**SUMMARY:**

The City has regulations in place to avoid large quantities of solid fats from entering the sewer system. There are clear requirements for commercial food establishments, but not for the types of kitchens used in Child Care facilities. The cost of a grease interceptor in a new facility is relatively small (~\$600-1,000); however, the cost to retrofit an existing kitchen in an existing building can be over \$20,000. Even if not required during permit application review, BES monitors sewers and can assess fines and require that a grease interceptor be added to a project retroactively if large quantities of fats are detected in the sewer.

CLARIFICATION:

Based on the previous section about kitchens, Kitchen 1 and 2 do NOT require a grease interceptor. Kitchen 3 will require a grease interceptor. BES Source Control will review. If not automatically assigned to Plumbing during permit intake due to scope, providers can request a Plumbing plan review (approximately \$150).

PROCESS RECOMMENDATIONS:

Encourage every provider to seek a plumbing plan reviews from BES and Plumbing. \$\$

SINKS AND DRINKING FOUNTAINS (BDS, BES, DELC)**SUMMARY:**

A Certified Child Care Center has a high number of requirements for plumbing fixtures, which can end up being a very expensive part of a construction project. These requirements are not the same as required by Building and Plumbing Codes. Adding plumbing fixtures can also trigger the need for a larger water meter and increase BES SDC fees, which adds more costs. See the following section for more on toilets.

CLARIFICATION:

Providers need to take special care to separate sinks associated with toileting, classroom activities, and food/water from each other.

All Certified Child Care Centers must provide:

- > Provision for drinking water; cannot be a drinking fountain attached to a sink and cannot be provided from a hand wash sink. Many Centers choose to provide water from the central kitchen.
- > Access to hand washing for adults that is not associated with diapering, toileting, or food preparation.
- > Access to hand washing for children that is not associated with toileting (can be an adult-height sink with compliant steps or platform).
- > One hand washing sink per every 2 toilets
- > See “Kitchens” for additional notes related to food preparation.

Spaces that serve children under 36 months old must also include:

- > Adult sink associated with each diaper changing station.

Building Code requires that 1 drinking fountain be provided per floor of an E (education) occupancy classification.

Building Code requires that 1 shower or bathtub be provided for an I-4 (institutional/child care) occupancy classification.

PROCESS RECOMMENDATIONS:

DELC to **develop a worksheet** for providers to fill out, confirming the number of children, group sizes, and plan for all sinks, toilets, and drinking water. This form could be reviewed by the DELC licensor and BDS/Life Safety to make sure that all requirements are met prior to applying for a building permit. \$\$

DELC to provide clarity on acceptable ways to provide drinking water within each classroom (approved sanitation procedures, separate water bottle fillers, etc). BDS to confirm if there is a way to get an exception to the OSSC rules regarding drinking fountain in E occupancies. \$

BDS to confirm if there is a way to get an exception to the OSSC rules regarding bathtub/shower when a Child Care Center is using an I-4 Occupancy classification.

City to add existing water meter sizes to Portland Maps. \$

TOILETS AND PRIVACY FOR TOILETING ACTIVITIES

SUMMARY: In the course of their time in child care, children go from being completely reliant on adults and diapers to being completely self sufficient with toileting. In between, there are many steps to toilet training and establishing hygiene routines. Between DELC requirements for supervision of activities and the required ratios of adults to children, providers need to take special care in organizing bathrooms so that the design of the Center does not require extra staff or result in non-compliance.

Providers have noted that the DELC plumbing requirements are not aligned with the DELC group sizes. A preschool classroom that serves 20 children must have access to two toilets, while two 20-children classrooms could share a three toilet restroom. The ‘best practice’ approach is to build a toilet room with two toilets in every classroom, but this solution can be expensive and, in renovations, is challenging to fit in the preferred location. The other approach is to build larger restrooms in shared areas, but this solution usually requires additional staff to maintain supervision and group size ratios.

CLARIFICATION:

DELC rules require that providers are within sight and sound of the children in their care. Building code requires privacy at toilet stalls (with an exception for Daycares with 2 or more toilets in one room, stating that one toilet does not need an enclosing compartment), but does not define the size/height of such partitions.

DELC requires:

- > For children 24-35 months old: one toilet per 10 children
- > For children 36 months and older: 1 toilet for every 15 children

PROCESS RECOMMENDATIONS:

See “sinks and drinking fountains” for recommendation on plumbing worksheet.

POLICY RECOMMENDATIONS:

Recommend that the **City defer to DELC for definition of privacy at restrooms** so that providers and their design teams are not caught between interpretations. \$

Recommend that **DELC provide clear guidance (sample drawings) for acceptable restroom layout options**, including configurations within and separate from classrooms. \$

FIRE SPRINKLERS (BDS, BES, FIRE)

SUMMARY:

A fire suppression system can be one of the most expensive line-item costs that a Child Care provider might need to budget for. The Group E and I-4 occupancy classifications come with specific provisions to ensure the safety of infants, toddlers, and pre-kindergarten age children. However, the specific requirements for when fire sprinklers are needed are not always clear due to the complexity of retrofitting existing buildings.

CLARIFICATION:

The building code does not require fire sprinklers for E-occupancies with less than 12,000sf, with Group E fire area only on the level of exit discharge, and with less than 300 people (the level of exit discharge refers to the story at which people leave the building). However, code definitions for allowable number of stories and required separations can result in a situation where fire sprinklers (or similarly expensive alternative methods) are required. For example, usable space in a basement or second floor will trigger fire sprinkler requirements unless the building configuration allows for a constructed fire barrier.

A fire sprinkler line requires a premise isolation backflow device.

PROCESS RECOMMENDATIONS:

City to add existing water meter sizes to Portland Maps. \$

BDS and Fire marshal to develop a clear path to support Child Care providers as they evaluate existing buildings related to fire sprinkler and building separations. \$\$\$

TRASH ENCLOSURES

SUMMARY:

The Sanitation requirements for Child Care Centers, specifically rooms with children under 3 years of age, are higher due to the use of diapers. The trash enclosure requirements are governed by multiple agencies and compliance can be expensive.

CLARIFICATION:

The BES Source Control Manual provides requirements for roof, paving, and drainage. All projects are subject to these requirements.

BDS/BPS reviews the location of a trash enclosure, including location on site and whether Design Review is required, or Design Standards may be used.

BDS/Life-safety and Structural might review the enclosure, depending on size, location and if it requires fire rated walls.

PROCESS RECOMMENDATIONS:

Include requirements as part of the recommended one-stop navigation tool; BES to share definitions and policy regarding when compliant trash enclosures are required. \$

BES to clarify process for filing for Special Circumstances. \$\$

BES to continue to work with local waste haulers to obtain a list of compliant trash containers \$\$ (i.e. special container that keeps water out) and clarify if these containers would still require enclosure and screening.

DISCREPANCY BETWEEN REQUIREMENTS FOR FENCES

SUMMARY:

Most Child Care spaces are required to have a fenced outdoor play area, which means a provider needs to confirm they have a viable way to create this play space before they commit to purchasing or leasing their property.

A play space needs to be fenced to prevent children from leaving the area or unwanted access into the space. However, there is a discrepancy between the State (DELIC) requirements and City (Title 33) rules.

CLARIFICATION:

DELIC rules require that an outdoor play space be surrounded by a fence that is at least 4-feet tall and has openings no larger than 3 ½". Many providers prefer to have a much taller and more obscure fence for safety.

From the City perspective, there are rules governing the location and height of fences. In many zones, a fence in the front yard setback of a site cannot be over 3 ½-feet tall. If a provider wants to use a taller fence, they would need to apply for an "adjustment" to the rule, which requires them to demonstrate need and propose an alternate that is equal to or better than the code standard. Note: from the City's standpoint, a vegetative fence (i.e. a hedge) of any height can be used, but this solution is not acceptable to DELIC.

POLICY RECOMMENDATIONS:

Consider changes to zoning rules to allow:

- > Child Care spaces to meet the minimum DELIC requirements for fenced outdoor space (4-feet in height). \$\$
- > Child Care providers to locate a primary play space in the front yard setback with a taller enclosure to respond to high traffic or other environmental dangers. \$\$

SYSTEM DEVELOPMENT CHARGES

SUMMARY:

As part of the permit review process, City bureaus charge fees based on a number of factors (increase in vehicle trips, plumbing fixtures, and new commercial square footage). These fees are complicated to calculate and therefore to budget for.

CLARIFICATION:

The City has an on-line calculator that requires significant knowledge to complete due to the types of information and the varying vocabulary it uses. Other City resources suggest calling each bureau to determine SDCs, while the Zoning and Infrastructure Early Assistance meeting page specifically indicates that information on SDCs is not provided at those meetings.

PROCESS RECOMMENDATIONS:

The City, particularly the Permit Improvement Team, could make significant improvements by simplifying the fee calculator (for example, it has three separate areas where plumbing fixtures get logged, each using slightly different terminology) in order to **provide consistent, accurate information** that providers can use to budget SDCs. \$\$

POLICY RECOMMENDATIONS: Given the impetus to create more Child Care Centers in the City of Portland, **consider waiving some or all SDC fees for Child Care providers.** \$\$ Similar accommodations have been made in other Oregon jurisdictions and for affordable housing projects.

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Detailed Findings Part 4

CONSTRUCTION

4A SELECTING A GENERAL CONTRACTOR

4B TIMELINE FOR FINAL INSPECTIONS

The CCFN framework uses Construction to reference the period that a general contractor bids the scope of work to subcontractors, which locks in most of the construction costs, and performs the building upgrades (renovation/alterations, addition or new construction). Periodic inspections are required by the permitting agencies. The majority of the construction costs are expended during this period to cover the cost of materials, labor, and the general contractor's overhead expenses.

4A Selecting a General Contractor

Understanding how to select and work with a General Contractor.

SUMMARY:

Aside from the purchase price of a building, the largest portion of a provider's budget is associated with the construction labor and materials. It is very important that they make an informed decision about the general contractor that will carry out this work. The contractor needs to follow the approved permit drawings carefully to make sure that all requirements are incorporated into the built project.

CLARIFICATION:

For almost all daycare renovations, a licensed contractor is required. The Oregon Construction Contractors Board, who licenses contractors, has a resource for Selecting and Working with a Contractor:

English: <https://www.oregon.gov/ccb/Documents/Guide%20to%20Hiring%20a%20Contractor.pdf>

Español: <https://www.oregon.gov/ccb/Documents/Guide%20to%20Hiring%20a%20Contractor%20-%20Spanish.pdf>

4B Timeline for Final Inspections

Figuring out the timeline for final inspections.

SUMMARY:

At the end of a construction process, there are multiple steps that must occur to close out the building permit and prepare for the licensing review process. Several providers reported that there is confusion and lost time during this process as they try to communicate with different agencies and get different feedback.

CLARIFICATION:

The general contractor should arrange for all inspections and documentation related to the construction process:

- > Schedule building department final inspection to obtain final approval of the building permit.
- > Request that the building inspector provide a Certificate of Occupancy.
- > Coordinate a final inspection by the Fire Marshal. Providers have been advised to ask the Fire Marshal to write down that they have completed a walk through because otherwise there is usually no formal record it has occurred.

Once these steps have been completed, the provider needs to schedule a series of site reviews:

- > MCHD or a third party Sanitation Inspector to visit the site.
- > DELC pre-certification visit.
- > The provider then submits an application for license from DELC.
- > Once the application is reviewed, DELC will schedule their site inspection.

PROCESS RECOMMENDATIONS:

Develop a multiagency list that covers the sequential nature of these steps and the agencies involved; include this information in the “one stop resource” that is recommended in Key Findings. \$\$

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Detailed Findings Part 5

LICENSING

5A SURPRISES DURING HEALTH INSPECTIONS

5B ALIGNMENT WITH DELC RULES

The CCFN framework uses **Licensing** to cover the period of time after construction, when the provider is working to receive final business and state licensing, installing furniture, and moving in to open the Center.

5A Surprises During Health Inspection

Avoiding surprises during the Health/Sanitation inspection process that add money or time to the project.

SUMMARY:

A provider must obtain sign-off from an Environmental Health Specialist in order to get their initial license (and every year after this point).

There is a shortage of inspectors who can complete these reviews (2 in Multnomah County) . The DELC website suggests providers schedule five weeks in advance.

Providers are sometimes told that their completed project does not meet the DELC requirements. Making changes at this point are very expensive and can delay the licensing process.

CLARIFICATION:

The inspection can be coordinated through Multnomah County or a 3rd party Sanitation inspector prior to their final walk-through with DELC.

There are no separate MCHD requirements for a Child Care Center (unless the Center is also a licensed food establishment). The inspector reviews for compliance with the health aspects of the DELC rules. MCHD is willing to review building plans at the point of permit, but most providers do not know about this option and there is not sufficient staffing to support it.

PROCESS RECOMMENDATIONS:

Provide a copy of the site review checklist that the inspectors use in order to help providers and their design team make sure they have interpreted and incorporated all the necessary provisions prior to the start of construction. \$

POLICY RECOMMENDATIONS:

Hire an additional county health inspector to focus on Child Care Centers. \$\$\$ This person could support the design/permit process and expand the agency's capacity to conduct inspections.

Formalize the Environmental Health and DELC plans review process, concurrent with local building permit review, to ensure that all requirements have been incorporated into the drawings prior to the start of construction. \$

5B Alignment with DELC Rules

Making sure a design aligns with the DELC rules for licensing a Certified Center.

SUMMARY:

The Department of Early Learning and Care (DELC) is a state-wide organization that sets the rules for licensing a Certified Center.

The DELC licensing rules are a combination of physical space requirements, training, supervision, and operations. This format, while comprehensive in context of a Certified Child Care Center, makes it hard to extract the specific elements that need to be included in a building design.

A DELC licensor does a preliminary walk-through at a Child Care site when it is almost complete, then a provider submits their full licensing application. The final step to receive a license is a final walk-through with DELC. The challenge is that these processes happen very late in the game – after a provider has obtained City building permits and constructed most of the Center.

Providers have reported a variety of interactions with their licensors, from extremely helpful to completely disengaged until the pre-licensing walk-through.

CLARIFICATION:

DELC can answer provider's questions throughout the process. DELC is willing to review building plans at the point of permit, but most providers do not know about this option and there is not sufficient staffing to support it.

See Detailed Findings Section 3, Design and Permit, for more detail on some of the requirements.

PROCESS RECOMMENDATION:

Provide a copy of the site review checklist that DELC uses in order to help providers and their design team make sure they have interpreted and incorporated all the necessary provisions prior to the start of construction. \$

PROGRAM RECOMMENDATION:

Involve DELC in developing Key Recommendation #2 and #3, Coordinated Technical Assistance and One-stop Resource. \$\$ Providers need reliable and consistent input from DELC to help them develop their business plans, select suitable properties, and navigate design details such as plumbing counts and kitchen requirements.

See Detailed Finding 5A for recommendation to incorporate a plan review process.

Section 5

APPENDIX

APPENDIX A: CASE STUDIES

APPENDIX B: RESOURCES & TOOLS

APPENDIX C: MEETING MINUTES

APPENDIX D: ABBREVIATIONS AND GLOSSARY

Appendix A

CASE STUDIES

COHORT #1 CASE STUDIES

NICOLE

PIONEER

Pioneer Preschool provides a Montessori program for 2-5 year olds. The program is part of Preschool Promise, which offers free tuition for families that qualify, and Preschool For All. Currently located in NE Portland, the school would like to expand to meet the growing demand for early childhood education. This case study outlines the current business status, challenges, and plans for new locations, including a unique farm-themed preschool to provide holistic learning experiences.

PROJECT BACKGROUND

Pioneer Preschool has been committed to a comprehensive approach to child care, ensuring that children receive comprehensive educational and developmental support. Pioneer started in 2015 as a home-based Center with 16 children. In 2022, she opened a Commercial space that allowed her to serve 75-95 children. She was able to renovate this space on a very small budget due to several unusual conditions (see below).

Her dream is to expand into a farm-like space with at least 2-acres of land.

EXISTING COMMERCIAL CENTER

This space was originally a Daycare, then a rehabilitation facility for the elderly. Due to the building's past, Pioneer was able to easily renovate the space.

- > Worked directly with the fire marshal to determine minor reconfigurations.
- > The kitchen is used for heating and boiling, but not frying. Because of these practices, they needed a commercial dishwasher (licensing requirement), but not a commercial range hood.
- > Able to use all existing plumbing and walls, which greatly reduced costs.
- > Opened one classroom at a time, as it was ready and licensed.
- > Total expenditures were ~\$50,000.

ENGAGEMENT WITH PROSPER PORTLAND

- > Discussed the lack of available spaces for lease to child care providers.
- > Identified issues with access to child care prior to the Preschool for All initiative.
- > Suggested improvements in the delivery of information by Building Development Services (BDS) to better support providers.
- > Asked for support in locating a new property with unique requirements.

GOALS FOR A FARM-THEMED SCHOOL

- > Aim: To provide children with a farm experience for hands-on learning.
- > The family resides in Forest Grove, but seeks to acquire two acres on the east side of the city.
- > Farm location will be marketed as an urban garden extension program.
- > Ideal typology: similar to Rossi Farms, within the city, ensuring accessibility.
- > Licensing: Currently discussing the process with the licensor for operating a farm-based preschool.
- > Outdoor preschool regulations are currently undefined.

CHALLENGES AND SOLUTIONS

- > Access to Funding; Limited access to traditional financing for expansion. She is engaging in MESO Business Plan class to improve business strategies.
- > Space and Inventory; Scarcity of suitable properties for new child care centers.
- > Suggests improvements at BDS to streamline support for child care providers.
- > Program Adaptation: Adapting to higher PFA slot allocations, balancing private and PFA enrollments.

CONCLUSION

Pioneer Preschool is poised for growth, leveraging holistic educational approaches and unique thematic settings like the proposed farm school. The expansion plans, including the development of multiple facilities, aim to address the increasing demand for quality child care.

SHEILA

TINEE TOTZ

Shelia's Tinee Totz, a Certified Family Child Care provider with a 30-year history in North Portland, is planning an expansion to better serve the community's early childhood education needs. This case study outlines the current situation, plans, challenges, space requirements, and next steps for the expansion.

CURRENT SITUATION

- > Location: North Portland
- > Licensed Capacity: 16 children
- > Years of Operation: 30 years
- > Status: Enrolled in PFA

PLANS FOR EXPANSION

Shelia aims to expand her child care services into a certified commercial center at 8010 N Charleston Ave. The expansion plan includes

- > Capacity: No more than 75 children, age range: 3-4-5 years old (to align with PFA funding)
- > Facility Type: Commercial Property
- > Staffing: Utilizing current employees, while searching for additional staff to support the new facility.
- > Target opening: September 2025

BUSINESS ADVISORY SUPPORT

- > MESO – the CCFN team helped her revive her relationship with an advisor
- > Multnomah County CCR&R
- > CCFN program – Sheila attended Cohort 2 meetings and received one-on-one work via Cohort 1

CHALLENGES IN CURRENT FACILITY

- > Hiring Employees: Difficulty in hiring and retaining staff; employees are quitting, and centers are closing.
- > Regulatory Challenges: At current center, Multnomah County sanitation reviewer initially requested unnecessary facility upgrades (e.g., sinks in every room).

SPACE NEEDS FOR NEW FACILITY

- > Interior Space: 5,726 square feet
- > Exterior Space: 15,282 square feet
- > Kitchen Requirements:
 - Commercial dishwasher
 - Large fridge
 - Residential stove (as frying food is not required)
 - Adequate storage for food and supplies

DUE DILIGENCE ON NEW FACILITY

Sheila located a unique property – it is a former home of Wayfinder Academy in an RM2 zone.

- > Requires a Conditional Use Permit to operate a Daycare due to the lack of continuous use over the last 3-years.
- > Requires a change of occupancy to (E) Education.
- > Will trigger non-conforming upgrades on the site
- > Will not require seismic upgrades because it was designated an E-occupancy on October 1, 2004.
- > Will require ADA upgrades.
- > Has a basement, which will require a fire separation; the initial quote she has received is \$500,000.
- > It is very difficult to determine what the costs will be.
- > Current status: Sheila has closed on the property. She is currently seeking the funding she needs to complete the construction. The building has been boarded up until funds can be accessed.

CONCLUSION

Shelia's Tinee Totz is on the path to expanding its early childhood education services in North Portland. With a clear plan for a certified center, support from business advisors, and specific space and facility requirements, Shelia is working hard to open the new facility by Fall 2025. Overcoming staffing challenges, regulatory hurdles, and funding issues will be key to a successful expansion and continued service to the community.

ANGIE

ESCUELA VIVA

Escuela-Viva Community School is committed to creating a nurturing environment that addresses the spiritual, educational, and humanistic needs of students. The school focuses on fostering proficiency in both English and Spanish languages. The Owner operates four sites in the area and is planning to use her experience to develop additional preschool sites that can be run independently by providers who are interested in running their own businesses. This case study is about the expansion project at 631 NE 102nd Ave, previously licensed as a daycare facility. Changing the occupancy designation from (B) Business back to (E) Education was chosen as the most accommodating route for expansion.

PROJECT BACKGROUND

Through a real estate broker, the school identified a potential site at 631 NE 102nd Street. It passed a preliminary suitability evaluation and was deemed a good opportunity for a Commercial Child Care Center due to its location, configuration, and relative ease that the floorplan could be converted to accommodate 4 classrooms, a kitchen, and restrooms. Because the building had an E occupancy on October 1, 2004, it was not required to receive a seismic upgrade. During the design and permitting process, it became apparent that, while the building had been recently used as an E-occupancy, there would be many required upgrades: the driveway did not meet City requirements, there were additional requirements based on the Gateway District, and there needed to be a fire separation between the floor with children and the other levels.

CHALLENGES

Frontage improvements: The City assessed upgrades to the driveway (two curb cuts, non-conforming) and right-of-way (based on the 35% valuation threshold) and dedication (based on the trip increase threshold). In addition to the cost, these improvements would impact the small lot to the extent that it might not be viable to include a play space, which is a requirement for licensure. To support the successful implementation of the intended repurposing of the property for early education, an exemption request was made to PBOT. This request was based on:

- > The standards for a change of use from medical clinic to a daycare proposed triggered an increase in vehicular trips based on ITE codes. The daycare use was not expected to have an appreciable increase in trips from the existing medical clinic use.
- > Strict adherence to current standards might unintentionally remove valuable play space, crucial for Child Care licensure.
- > Previous Local Government Approvals (LGA) requests suggest a precedent for waiving similar requirements, indicating flexibility within the city administration.
- > The certified provider's Pilot Site approval under the Preschool For All Initiative demonstrates a commitment to community service, aligning with the initiative's goals.

The exemption was a success; PBOT was able to help the owner work out a low-cost way to improve safety at the driveway circulation without incurring costs to improve the right-of-way or losing play space.

- > Fire Separations: While certain aspects of the building made it easy to convert to the Child Care use, one factor that caused significant challenge was the presence of a second floor and a basement. All Child Care uses will be on the main level; each room that will be used by children under 30-months old has a direct exit to the exterior. However, the second-floor office and basement storage area need to be separated from the Daycare use. The owner and architect reviewed options extensively. The decision came down to building a very complicated system of 3-hour fire separations (fitting multiple layers of gypsum board around every piece of the floor structure) or installing a fire sprinkler system. The fire sprinkler system was estimated at over \$300,000, due to the need for a new water line and pump. While expensive, this option was deemed the best choice because it reduced other building upgrade requirements.
- > Financing Timeline: The owner entered a preliminary buy-sell agreement in August 2023. Her lender required that she receive approval for the change of occupancy prior to closing on the loan. Due to the timeline for due diligence, design, and City permitting, the expected date that the permit (with the change of occupancy) will be approved is July 2024. The result has been a 12-month period of uncertainty for both the buyer and seller. During this time, the owner had to put forward cash for professional fees and permit intake fees.

CONCLUSION

The project is designed to result in a net increase of 55 child care spaces in the City of Portland. Unfortunately, due to escalating costs and the length of time it took to assemble the documents necessary to close on the property purchase, the owner is not planning to proceed.

KAREN

PEQUEÑITOS CHILD CARE

Pequeñitos Child Care is a Spanish Immersion school that offers care for infants and preschool-age children, as well as after care for school-age children. The Owner, Karen, has been in business for 16 years. Her current businesses include two Certified Centers (total of 170 children served) and a Certified Family Center (16 children served) and a Third under development. She began her first building process in 2021 with a permit application for 4927 NE 55th Avenue. Housed in a portion of a church, she applied for permits to change a multipurpose space from an (A) Assembly occupancy to an (E) Educational occupancy. Extensive right-of-way work and high SDC fees caused the project to slow down until a Public Works Alternative Review was accepted. She was able to open her facility in 2022 with 100 children. In 2023, seeking to expand her business by 70 child care spots, Karen was connected with the CCFN pilot program.

PROJECT BACKGROUND

The original (2021) project involved resulted in an approved change of occupancy, but the right-of-way work was never resolved. This situation led to an impasse as the owner considered expanding her business in 2023. She looked at other properties in the area, including one that was under renovation to be a child care center. She also considered expanding at her current location. Karen initially explored acquiring the property on NE 72nd, but it was already under contract with another buyer. The buyer encountered challenges in securing the necessary funding to complete the acquisition and considered defaulting due to rising costs. However, they managed to proceed with the project through seller financing, preventing Karen from moving forward with her purchase. Undeterred, she shifted her focus and identified a new opportunity at 4920 NE 42nd Ave. She successfully placed this property under contract and is scheduled to close on it in late October 2024.

PROCESS HISTORY (55TH STREET PROJECT)

1. Permit Application Submission (01.21.2021):
 - > The application was for a partial change of occupancy for the main floor of an existing church.
 - > Stated permit valuation: \$10,000 (actual costs exceeded).
2. SDC Fees and Check sheet Requirements:
 - > PBOT assessed System Development Charges (SDC) fees (\$20,410), which appear to have been based on the full area of Daycare use, including restrooms and storage area (which were outside the area of the change of occupancy).
 - > Requirements included dedications and frontage improvements along NE Alberta St and NE 55th Ave.
3. Public Works Alternative Review Application (21-030033-PW):
 - > The architect requested a waiver for all SDCs, dedications, and frontage improvements; this was denied based city rules and lack of alternative design options.
4. Intervention by Cully Neighborhood Association:
 - > Requested Commissioner Jo Ann Hardesty's office to reduce PBOT requirements.
 - > Resulted in a revised PBOT decision on May 28, 2021, removing some requirements but maintaining the need to add a sidewalk on NE 55th Avenue, including a 1-foot dedication, planting strip and street trees.
5. Public Works Street Improvements Permit (2021-104950-WT):
 - > Opened on November 10, 2021, for frontage improvements on SW 55th Ave.
 - > Preliminary engineer's estimate for the right-of-way work: \$63,914.06. The owner also spent over \$23,000 in professional and permit fees.

- > A performance bond was provided by Karen; it expired a year later and has not been renewed.
- 6. Construction of Child Care space (21-007542-CO).
 - > The construction for the Daycare was completed in 2022. The Child Care Center is currently operational and a participant in Preschool For All.

ENLARGING FACILITY

- > In 2024, Pequeñitos considered enlarging their center by expanding into an existing covered outdoor area.
- > Because of the lack of resolution with the frontage improvements stemming from the 2021 permits, any new work will need to incorporate the improvements to NE 55th Avenue.
- > Karen initially planned to expand her child care program by adding more children to the lower level of her current site. However, due to the prohibitive costs of installing sprinklers and a new fire alarm system, she decided not to pursue this option. Instead, she opted to purchase the property at 42nd Ave to expand her child care services to a new location.

CONCLUSION

Navigating the PBOT requirements for the Pequeñitos Child Care renovation involved multiple challenges, including SDC fees, frontage improvements, and City regulations. Moving forward, careful consideration of potential additions and further PBOT interactions will be essential to ensure compliance and support for early education initiatives.

JORGE

PEQUEÑOS EXPLORADORES

Pequeños Exploradores Spanish Immersion School is an existing Preschool Promise and Preschool for All participant. The business was previously operating as a Certified Family Child Care center in two houses. The owner scaled up to a Certified Center at a different location. The project has taken much longer than expected because the provider was not fully aware of the building requirements and began construction without the proper permits in place.

PROJECT BACKGROUND

Pequeños Exploradores Spanish Immersion School opened in 2018 and has been committed to providing quality early education through the “Tools of the Mind” curriculum. The school, led by Jorge Ramirez, purchased a property at 11016 SE Sandy Blvd to expand its capacity and improve facilities. The owner had a business plan and procured the property. Unfortunately, he was advised by a contractor that he could do the work without building permits and a change of occupancy. The project started without any of the necessary permits from the City of Portland. The work that was installed, valued at close to \$300,000, did not reflect the requirements for E-occupancy or the mandatory seismic upgrades triggered by the change of occupancy. The owner had to remove all un-permitted work in order to rebuild to building code standards. He started over with an architect and a new contractor who have been able to steer him through the appropriate upgrades. He has a second phase of work planned to add 2 new Child Care classrooms.

COSTS

- > Initial Renovations: The owner had a business plan and procured the property. Unfortunately, they proceeded directly to the construction phase, without doing design drawings for City of Portland permits. The money for this work came from the owner’s savings.
- > Over \$300,000 spent on renovations, which were subsequently removed due to the previous contractor not pulling permits, and constructing nonconforming work.
- > Revised Renovations: The second round of work on the phase one building is anticipated to cost \$330,000.
- > Second Phase: The 2-classroom addition is budgeted around \$550,000 but could reach as high as \$630,000 with the addition of pilings that are required to support the new addition.
- > Total investment: \$1,260,000.

CHALLENGES

FUNDING:

- > The owner exhausted his personal savings and used credit cards to pay for construction during gaps in funding.
- > Due to the project slow-down, he had limited ability to wait for traditional financing while he tried to complete construction on phase one so he could start serving students. He also lost out on access to grant funding.
- > Additional funding efforts include sending new funding requests and pursuing grants, such as the Restore Grant and the New Center Capital and Pre-Development Grants through BuildUp Oregon.

RENOVATION SETBACKS:

The requirement for mandatory seismic upgrades triggered by the change of occupancy to E group, led to extensive work, including removing all exterior siding, replacing sheathing with plywood, and installing new hold-downs around the building’s perimeter. Existing low ceiling heights in the basement required building code appeals and significant structural alterations to allow the space to be used. Neither of these items were addressed by the original contractor.

FRONTAGE IMPROVEMENTS:

Frontage Improvements: Working with PBOT and his architect, the owner was able to defer right-of-way (frontage) improvements during the project’s first phase. The upgrades will be required for the second phase (2-classroom addition). The property required driveway improvements (do not meet standards), right-of-way / sidewalk improvements, including rebuilding a corner along Sandy Boulevard (based on the 35% valuation threshold) and a dedication (based on trip increases). The initial scope of work was projected to cost over \$100,000. Through discussions with the City, the team is requesting a review of the trip increase calculation and through the exemption process inquiring about a reduction the scope of work assessed to improve the driveway and sidewalk work which is required under the current code.

BUSINESS STATUS

OPERATIONAL STATUS:

The first phase of the construction project has received the final inspection approval and Certificate of Occupancy for E occupancy, and state licensure and has been operating in the renovated building on NE Sandy since Spring 2024.

SCALING AND CONSTRUCTION:

The school is scaling beyond this initial construction process. This involves building two more classrooms, increasing total capacity to sixty-eight slots across both facilities. The additional space is expected to be available by January 2025.

PARTNERSHIPS AND STAFF:

Pequeños Exploradores has a partnership with David Douglas School District, which will build an outdoor space contingent on providing ADA slots. The school is committed to this opportunity, which will benefit the community at large.

CURRENT OPERATIONS:

When the second phase is complete, the school will hold 60 students. The original home-based centers will be closed and the children will be transferred to one of the new buildings on the site once complete. and transferred its students to the new facility. The second home-based center will continue to operate as a Preschool for All center.

CONCLUSION

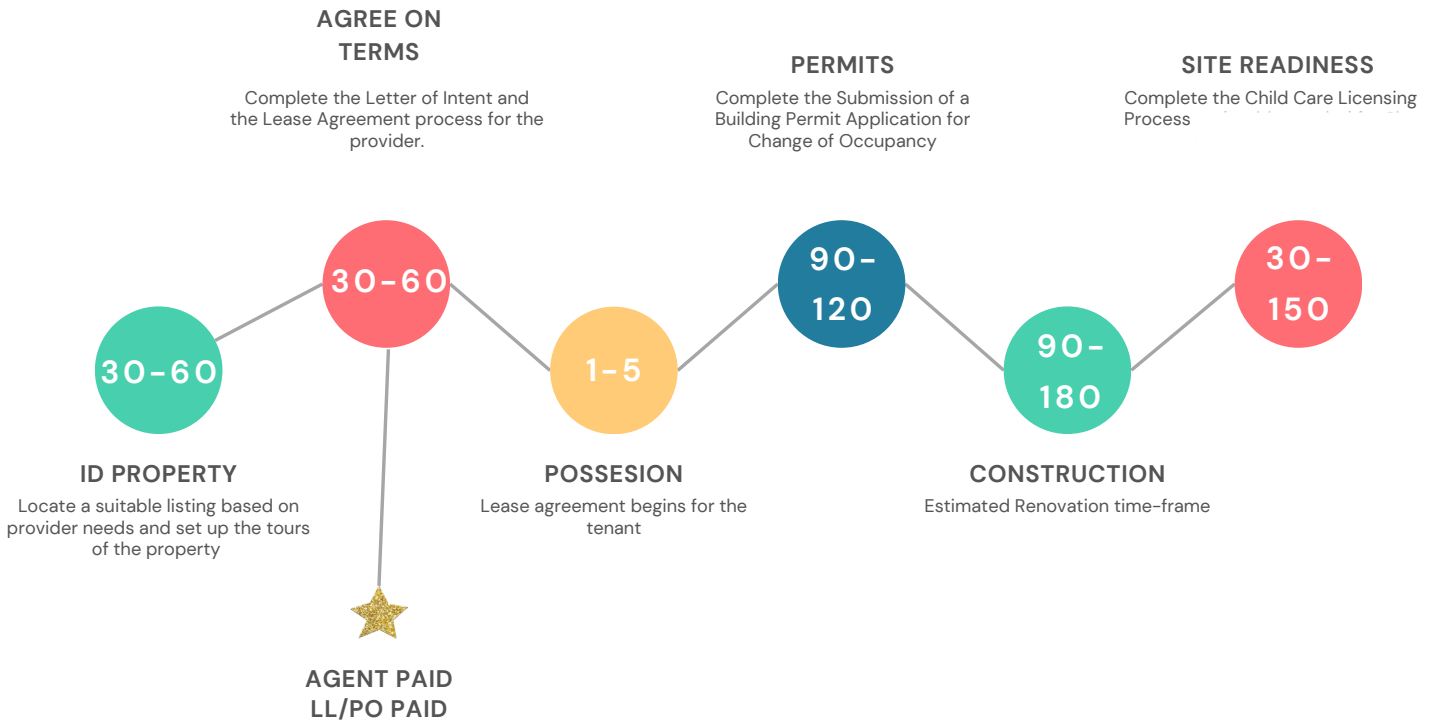
Pequeños Exploradores Spanish Immersion School has navigated significant challenges to expand its facilities and increase capacity. Despite setbacks from poor guidance from a contractor, a lack of professional assistance, unpermitted work and extensive renovation requirements, the school remains on track to complete its full build-out by January 2025. The projects will result in a net increase of 32 child care spaces. With ongoing support from community partnerships and a focus on securing additional funding, the school is poised to enhance early education accessibility and quality in the community.

Appendix B

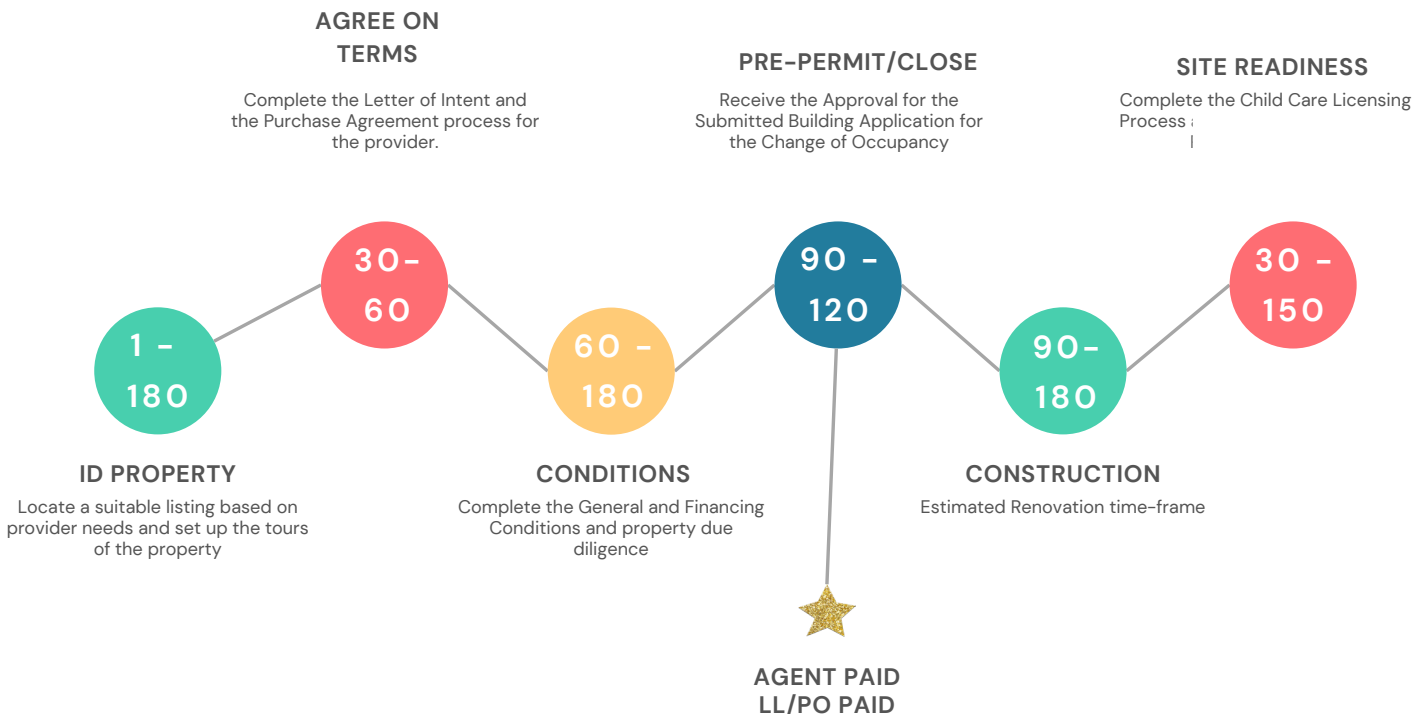
RESOURCES & TOOLS

Many providers under-estimate the amount of time it will take to complete their process. The following charts represent typical timelines that the CCFN participants encountered.

LEASE TIMELINE



ACQUISITION TIMELINE



SELECTING THE RIGHT REAL ESTATE BROKER FOR EXPANDING EARLY CHILDHOOD EDUCATION CENTERS

Expanding your early childhood education center into new locations requires careful planning and the right expertise. A key player in this process is a real estate broker who understands your specific needs and can navigate the commercial real estate market effectively. This guide will help child care providers select the right real estate broker to assist with this important task.

STEP 1: UNDERSTAND YOUR NEEDS

Before reaching out to potential brokers, have a clear understanding of your requirements: .

- > Location Preferences: Identify preferred neighborhoods or regions.
- > Space Requirements: Determine the size and layout needed for your center.
- > Budget: Establish a budget for both purchasing and leasing options.
- > Timeline: Set a realistic timeline for when you need the new location.
- > Special Requirements: Consider any specific needs such as outdoor space, parking, or accessibility features.

STEP 2: RESEARCH POTENTIAL BROKERS

Start your search by researching potential brokers who specialize in commercial real estate, particularly those with experience in educational facilities:

- > Online Reviews: Look at on-line reviews and testimonials.
- > Professional Associations: Check if they are members of professional organizations like the National Association of Realtors (NAR).
- > Referrals: Ask for referrals from other child care providers or business owners.

STEP 3: EVALUATE BROKER EXPERIENCE AND EXPERTISE

When evaluating potential brokers, consider their:

- > Experience: Look for brokers with a proven track record in commercial real estate and experience with educational facilities.
- > Local Market Knowledge: Ensure they have in-depth knowledge of the local market and can provide insights into the best locations for your center.
- > Network: A well-connected broker can provide access to off-market listings and other valuable resources.

STEP 4: CONDUCT INTERVIEWS

Interview multiple brokers to find the best fit. Prepare questions such as:

- > What is your experience with commercial real estate for educational facilities?
- > Can you provide references from similar clients?
- > How do you approach finding suitable properties for child care centers?
- > What are your fees and how are they structured?
- > How will you keep us informed throughout the process?

The following information is provided to help Child Care providers select a real estate broker to assist with their process.

STEP 5: ASSESS COMPATIBILITY AND COMMUNICATION

Choosing a broker is not just about their qualifications; it's also about how well you can work together. Consider:

- > Communication Style: Ensure their communication style matches your preferences.
- > Availability: Confirm they have the time and resources to dedicate to your search.
- > Trust and Rapport: Assess whether you feel comfortable and confident in their ability to represent your interests.

STEP 6: CHECK CREDENTIALS AND REFERENCES

Before making your final decision:

- > Verify Licenses: Ensure the broker is licensed and in good standing.
- > Check References: Contact previous clients to get feedback on their experience working with the broker.
- > Review Track Record: Look at the broker's history of successful deals in your market.

STEP 7: FORMALIZE THE AGREEMENT

Once you've selected a broker:

- > Sign a Contract: Ensure you have a clear contract outlining the terms of your agreement, including services provided, fees, and the duration of the engagement.
- > Establish Expectations: Set clear expectations for communication, updates, and milestones.

CONCLUSION

Selecting the right real estate broker is crucial for successfully expanding your Certified Child Care Center. By following these steps, you can find a broker who understands your needs, has the necessary expertise, and can guide you through the process with confidence. Remember, the right broker will be a valuable partner in helping you achieve your expansion goals.

Note: This resource is a draft document, based on regulations that were active at the time of the pilot. It is the responsibility of the user to verify the completeness and validity of all information.

SELECTING A SUITABLE COMMERCIAL SPACE FOR YOUR BUSINESS

The CCFN team found that one of the biggest challenges facing providers is finding a suitable building to purchase or lease. In response, they created draft guidelines to support the CCFN Cohort. This narrative outlines some of the factors that need to be considered as a provider looks for a suitable space.

STEP 1: UNDERSTAND ZONING REQUIREMENTS

1.1 RESEARCH ZONING LAWS

- > Local Zoning Codes: Contact your local zoning office or use their on-line resources to understand the zoning classifications in your area.
- > Permitted Uses: Ensure that the zoning classification of the potential property allows for child care services.
- > Special Use Permits: Determine if a special use permit is required and understand the process for obtaining one.

1.2 VERIFY ZONING COMPLIANCE

- > Consult with Experts: Work with a real estate broker who has experience with zoning regulations for educational facilities.
- > Confirm with City: Request a 15-minute meeting with a Zoning official at the City to confirm how the site is designated and any additional zoning restrictions.

STEP 2: ASSESS OCCUPANCY REQUIREMENTS

2.1 BUILDING CODES AND REGULATIONS

- > Occupancy Limits: Understand the maximum number of children and staff the building can legally accommodate.
- > Safety Standards: Ensure the building meets fire safety, emergency exits, and accessibility standards.
- > Health Regulations: Verify compliance with health department regulations, including requirements for sanitation and kitchen facilities if meals are provided.

2.2 SPACE PLANNING

- > Classroom Size: Ensure classrooms are large enough to meet minimum space requirements per child.
- > Outdoor Play Areas: Check for adequate outdoor play space that meets safety standards.

STEP 3: ESTIMATE RIGHT-OF-WAY IMPROVEMENTS

3.1 UNDERSTANDING RIGHT-OF-WAY

- > Definition: Right-of-way refers to public land used for transportation and utility purposes, such as sidewalks, roads, and utility lines.
- > Impact on Property: Improvements may be required to ensure safe and accessible routes to your facility.

3.2 RIGHT-OF-WAY IMPROVEMENT REQUIREMENTS

- > Local Regulations: Check with the local planning and public works departments to understand the requirements for right-of-way improvements.
- > Cost Estimates: Obtain estimates for potential improvements such as sidewalks, curb cuts, crosswalks, and street lighting.
- > Timeline: Determine the timeline for completing these improvements and how it may impact your opening date.

STEP 4: EVALUATE OTHER KEY FACTORS

4.1 LOCATION AND ACCESSIBILITY

- > Proximity to Clients: Choose a location that is convenient for the families you serve.
- > Public Transportation: Ensure the property is accessible by public transportation if needed.
- > Traffic Patterns: Consider traffic flow and safety for drop-off and pick-up times.

4.2 Building Condition and Suitability

- > Structural Integrity: Have a professional inspection to assess the building's condition.
- > Renovation Needs: Identify any renovations needed to make the space suitable for a child care center and estimate the costs.
- > Lease Terms: Review the lease terms carefully, including duration, renewal options and any restrictions on property use.

STEP 5: FINANCIAL CONSIDERATIONS

5.1 BUDGETING

- > Purchase vs. Lease: Decide whether to purchase or lease the property based on your budget and long-term plans.
- > Financing Options: Explore financing options such as loans, grants, and subsidies for child care providers.

5.2 OPERATING COSTS

- > Utilities and Maintenance: Estimate ongoing costs for utilities, maintenance, and property management.
- > Insurance: Ensure you have appropriate insurance coverage for the property and your business operations.

STEP 6: MAKE AN INFORMED DECISION

6.1 CONSULT WITH PROFESSIONALS

- > Real Estate Broker: Work with a broker who specializes in commercial real estate for educational facilities.
- > Legal Counsel: Consult with an attorney to review all contracts and ensure compliance with local regulations.
- > Financial Advisor: Seek advice from a financial advisor to ensure the investment aligns with your business goals.

6.2 FINAL EVALUATION

- > Pros and Cons: Weigh the pros and cons of each property based on your assessments.
- > Decision Matrix: Use a decision matrix to compare properties against your key criteria.

CONCLUSION

Selecting a suitable commercial space for your child care center involves careful consideration of zoning and occupancy requirements, right-of-way improvements, and other key factors. Remember to work closely with professionals to navigate the complexities of commercial real estate and ensure a smooth transition into your new space.

Note: This resource is a draft document, based on regulations that were active at the time of the pilot. It is the responsibility of the user to verify the completeness and validity of all information.

The following chart summarizes some of the criteria that is described in the previous narrative.

>Section A can be utilized by providers or real estate professionals to confirm if the site meets minimum requirements.

>Section B highlights upgrades that could require costly modifications or be challenging in a lease situation. A series of "yes" answers might be a positive indication for a building's suitability. A series of "maybe" or "no" answers indicates that the building will be more difficult to modify.

>Additional analysis about frontage improvements, accessibility, building separations and upgrades should be completed with the help of an architect due to the unique nature of every building and site. See Detailed Findings/Design & Permit for more information.

How to analyze potential space for suitability as a Commercial Childcare Center (CC)

Provider: Name, Center

Copy one of these answers into each cell with a prompt>>

YES	great!
MAYBE	follow-up needed
MAYBE/NO	this answer might trigger significant time or money to solve
NO	this answer is a "no-go"

PROGRAM PARAMETERS (if known)	
Number of children	35 <i>minimum</i>
Age range of children	
Anticipated leasable area (square feet)(plan for 88-125 sf/child when sizing CC)	3,080 <i>sf (low end of range)</i>
	4,375 <i>sf (high end of range)</i>
Minimum exterior play space	875 <i>sf (minimum 75sf/child for 1/3 of CC population)</i>

A. LOCATION

1 Address:

2 City Zoning designation:

3 Is "Day Care" an allowed use in this Zone? >> cheat sheet:

4 Does site have amenities that support a CC? >>

5 exterior play area or proximity to public park *Licensing rules require 75sf per student for at least 1/3 of CC capacity. Space should be nearby and under the control of the CC during hours of operation. Possible exceptions if approved by CCLD. Options could include interior gross motor space, opportunities to walk outside, local park. If answer is "Maybe" or "No," call CCHD!*

6 parking spaces *City zoning topic. See specific zoning rules for quantity - usually not a "no-go"*

7 pick-up /drop-off area out of traffic *City zoning topic.*

Open Space (OS)	MAYBE	Requires CONDITIONAL USE approval
Single Dwelling Residential R1, R2, R5, R7, R10, etc.	MAYBE	CC allowed if within a college, medical center or school. Other contexts: Up to 3,000sf & on ground floor = YES Larger than 3,000sf = requires CONDITIONAL USE
Multi-dwelling Residential RM1, RM2, RM3, RM4, RMP	MAYBE	CC allowed if within a college, medical center or school. Other contexts: Up to 3,000sf & on ground floor = YES Larger than 3,000sf = requires CONDITIONAL USE
Multi-dwelling Residential Central Residential - RX	YES	
Commercial - CR, CM1, CM2, Employment - EG1, EG2, EX	YES	
Industrial IG1, IG2, IH	MAYBE	Up to 3,000sf = YES Larger than 3,000sf = requires CONDITIONAL USE
Campus Institutional C1, C12, IR	YES	Allowed outright in C1, C12; IR - allowed if already in existing impact or CU plan

Note: This resource is a draft document, based on regulations that were active at the time of the pilot. It is the responsibility of the user to verify the completeness and validity of all information.

SECTION 5 | APPENDIX

B. BUILDING SUITABILITY Name, Center

1 Building Occupancy Classification		>>
2 Does this Occupancy Classification allow a CC outright?	answer	If "no", will require a Change of Occupancy. This process involves an architect and will trigger Systems Development Charges.
3 If the space is not already an "E" or I-4" Occupancy Classification, was it on Oct 1, 2004? Public Records research or call CCLD to find out if space was ever used as ECC and occupancy.	answer	If "yes, but property is currently a different designation," will require a Change of Occupancy. This process involves an architect and will trigger Systems Development Charges.
4 Will all spaces children occupy be on the ground level?	answer	If "no," must have 2 exits from every floor level AND be an I-4 Occupancy Classification
5 Can this building be used WITHOUT a seismic upgrade?	answer	See preliminary seismic upgrade tab
6 Will the space have LESS than 50 occupants by fire code capacity?	answer	If "no", manual pull alarm required (cost implication)
7 Will the space have LESS than 100 occupants by fire code capacity?	answer	If "no", Emergency voice/alarm comm system required (cost implication)
8 Will the space be LESS THAN 12,000sf?	answer	If "no," must have fire sprinklers (cost implication). NOTE: depending on building layout, fire sprinklers could be required for other reasons, such as having a basement.
9 Is there a commercial cooking hood in the space?	answer	Not required if using a single residential stove
10 Is there a commercial dishwasher or 3-compartment sink?	answer	Not required if < 19 children.
11 Does the space have sufficient number of plumbing fixtures now (i.e. sinks, toilets, dishwasher, clothes washer)	answer	If "no", will incur SDC fees to add fixtures. Might incur additional permit and construction costs to upsize water supply line.
12 Does the building shell (exterior walls) support a high-quality CC (does it have windows, is the siding in good condition, is it insulated)?	answer	
13 Does the building interior support a high-quality CC (lobby space, natural light, sufficient square footage, healthy materials, in good condition)?	answer	"sufficient light" is now a requirement of CCLD, water testing for lead,

cheat sheet:

E - education	YES	must have doors to exterior from every classroom
I-4 - Institutional	YES	must have 2 exits from each classroom
A1 - Assembly	MAYBE	Same seismic hazard category as "E", might be easier to convert. Requires Change of Occupancy.
I-2, I-3, H-1, H-3, H-4, H-5	MAYBE	Same seismic hazard category as "E", might be easier to convert. Requires Change of Occupancy.
R-2, B, M, F-1, F-2, S-1, S-2, R-3, U	MAYBE	Lower seismic hazard category; will require Change of Occupancy and significant structural upgrade.

for more information: <https://www.portland.gov/code/24/85>
 chrome-extension://efaidnmmmbpcjpcglcfeindmka/https://www.portland.gov/bds/documents/c

Preliminary Seismic Upgrade Evaluation Building Checklist

	Inputs	Commentary
Prerequisite 1	Does the building require a seismic upgrade? (threshold #1) Is the building constructed from unreinforced masonry (URM)?	No If YES, required to upgrade.
Prerequisite 2	Does the building require a seismic upgrade? (threshold #2) The building requires a change of occupancy and the renovation impact more than 1/3 of the building and/or result in 150 or more additional occupants (based on Occupancy Classification on October 1, 2004).	Yes If NO, not required to upgrade (unless URM); if YES, required to upgrade per https://www.portland.gov/code/24/85#toc-24-85-040-change-of-occupancy-or-use- SEE items 1-5, below:
Prerequisite 3	Does the building require an ASCE 41 Evaluation? NO: answer to #a is NO NO: answers to #a is YES and answer to #b or #c is YES YES: answer to #a is YES and answer to #b and #c are NO	Yes Must be completed before a permit will be issued. A previous seismic study may be submitted for consideration as equivalent. See Portland Code chapter 24.85.060.
a	Is the value of construction MORE than \$375,500*? Yes (*2024 threshold). If NO, skip b and c.	Value excludes cost of mechanical, electrical, plumbing, permanent equipment, painting, fire suppression systems, site improvement, eco-roofs and finish works. This threshold value changes annually based upon the R.S. Means Construction Index for Portland.
b	Was the building upgraded, renovated, or built after 1/1/1974?	No Renovations or construction have to be permitted to a seismic zone 2, 2b, or 3.
c	Is the building stick framed wood or steel construction, single-story, 20-feet or less in height, and has a ground area of 4,000sf or less?	No

If the answer to Prerequisite 1 or 2 is YES, answer the following questions and reference the heat map to learn more about the magnitude of probably seismic upgrades.

1	What is the year of original construction?	1960	Notes
2	What is the roof construction type?	Wood Framed	Not sure
3	What is the wall construction type?	Structural Steel	Not sure
4	Has the building had any renovations in its history?	Yes	Not structural
5	If yes to #4, what year was the most recent renovation done? If renovations from item #5 included seismic improvements, that year may be used as the input for the "Construction Era" in the Quick Glance Heat Map Table.	1999	



Quick Glance Heat Map Table		Construction Era					
Construction Type		Present-1997	1997-1988	1988-1976	1976-1961	1961-1933	1933 Older
	Stick Framed Wood	Green	Yellow	Yellow	Yellow	Yellow	Yellow
	Stick Framed Cold-Formed Steel	Green	Yellow	Yellow	Yellow	Yellow	Yellow
	Structural Steel	Green	Yellow	Yellow	Yellow	Yellow	Yellow
	Concrete	Green	Yellow	Yellow	Yellow	Yellow	Yellow
	Masonry	Green	Yellow	Yellow	Yellow	Yellow	Yellow

Heat Map Key

Green	Indicates that the building likely requires minimal or no seismic upgrades in order to meet the required performance criteria of ASCE 41-BPON.
Yellow	Indicates that the building most certainly requires some but potentially minor seismic upgrades in order to meet the required performance criteria of ASCE 41-BPON.
Orange	Indicates that the building likely requires major seismic upgrades in order to meet the required performance criteria of ASCE 41-BPON. However, the upgrades are possible and not uncommon.
Red	Indicates that the building most certainly requires major seismic upgrades in order to meet the required performance criteria of ASCE 41-BPON. These upgrades would be considered above and beyond what is common and may be cost prohibitive.

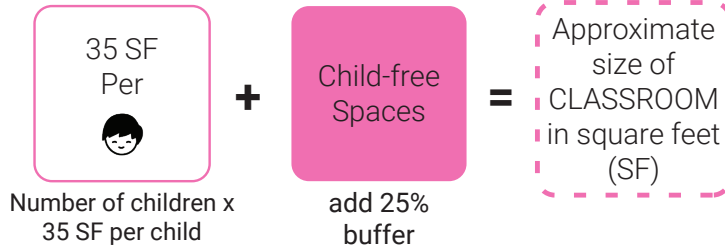
Note: This resource is a draft document, based on regulations that were active at the time of the pilot. It is the responsibility of the user to verify the completeness and validity of all information.

The CCFN created the following summary and diagrams to help providers understand how to develop interior and exterior space budgets for a Center. Every site, building and program will have unique layout requirements that will impact the exact room and building size needs.

1.1 ROOM / BUILDING SIZING

How?

- ① Oregon Child Guidelines require a minimum of 35 square feet (SF) per child. However, a CLASSROOM requires more space than what is allocated per child, to accommodate **child-free spaces** (storage, space for teacher, restrooms, and areas children cannot access). The actual child-free space can vary. To plan the right amount of space, add a 25% buffer to determine the approximate size needed for each CLASSROOM.



- ② When calculating for a total building size, we need to add another buffer to accommodate adult bathrooms, prep areas, storage, interior walls, hallways, gross motor activity areas. Those spaces are referred to as **building-support**. On average, these spaces will double the size of the Center. These equations are placeholders for planning purposes. The actual square footage might change as the place is designed.

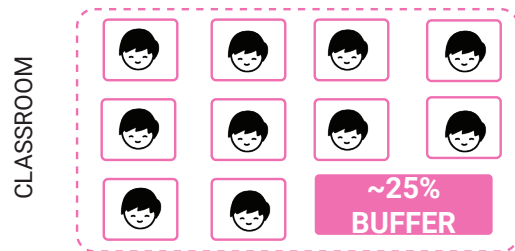


Example

Ex: ROOM SIZE EXAMPLE (10 3-year-olds):

(10 children X 35 SF) x (25% buffer for child-free spaces) = 438 SF minimum clear space **inside room**

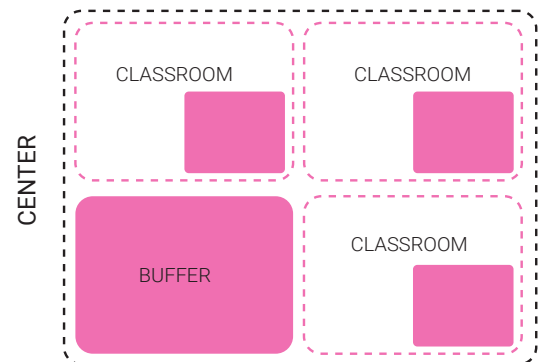
(10 children X 50 SF) x (25%) = 625 SF per classroom
best practice clear space **inside room**



Ex: CENTER SIZE EXAMPLE (4 x 10-child classrooms = Center Capacity of 40):

MINIMUM: 4 classrooms @ 438 SF/ea =
(4 X 438 SF) x 2 = 3,504 SF total **interior space**
(88 SF/child)**

BEST PRACTICE: 4 classrooms @ 625 SF/ea = (4 X 625 SF) x 2
= 5000 SF total **interior space** (125 SF/child)**



* Oregon Child Care licensing requires 35 SF minimum clear space per child. Best practice is to plan for 50 SF minimum clear space per child.

** Per BRIDGE Housing's Handbook, the total interior area (leaseable space) of a Commercial Child Care Center ranges from 88 SF/child (*minimum*) to 125 SF/child (*best practice*).

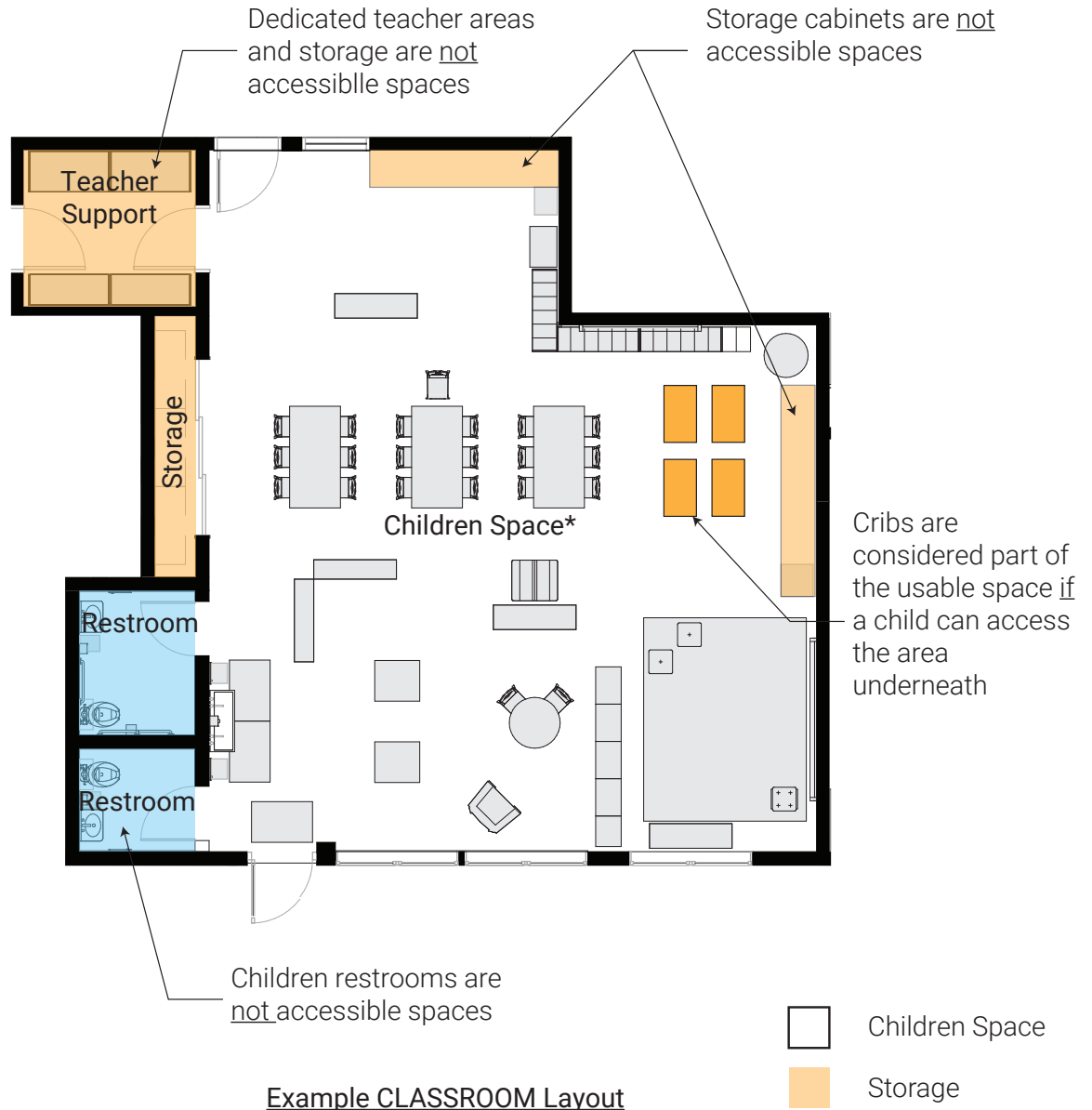
<https://www.liifund.org/wp-content/uploads/2011/03/30-BRIDGE-Child-Care-Handbook.pdf>

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1.2 ROOM / BUILDING SIZING

Example

When planning the size of a CLASSROOM, a provider needs to account for **Child-free***. These spaces add approximately 25% to the minimum area per child (see Exhibit 1.1 for examples). The diagram below shows an example of the child-free spaces within a classroom that need to be accounted for outside of the 35-sf minimum per child.



* Per Oregon CCC Rules Section 414-300-0140: Each room must have a minimum of 35 square feet of indoor activity area per child. These areas must be accessible to children at all times. Child-free spaces are areas not usable by children, such as heating units, storage areas, teachers' desks, large permanent equipment, etc.

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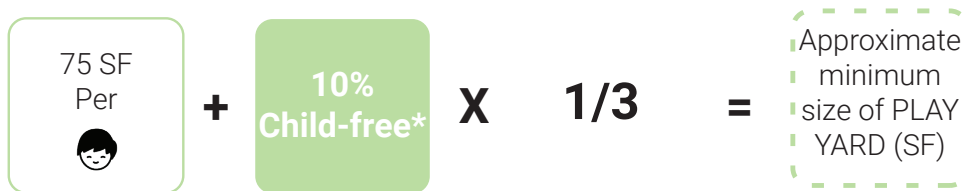
1.3 Exterior Space Planning

How?

- ① Oregon Child Guidelines require an outdoor space that is a *minimum* of 75 square feet (SF) per child.



Exterior spaces must be sized to accommodate ALL children who will use it at one time (75 SF per child). **If groups of children are scheduled for different times, then the play area must be sized to accommodate at least one-third (1/3) of the CENTER population at one time.**

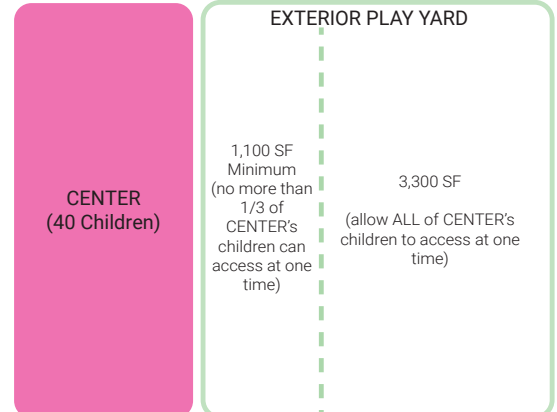


Example

Ex: PLAY YARD EXAMPLE: (40 3-year-olds):

(40 children X 75 SF) X 10% Buffer = 3,300 SF PLAY YARD

(40 children X 75 SF X 10% Buffer) x 1/3 = 1,100 SF PLAY YARD (*minimum*)



OTHER CONSIDERATIONS:

Exterior space should be next to the center and under the control of the provider during the hours of operation. If not, provider needs to consult OCC for specific approval. Provider will need to show that they can provide adequate gross motor movement and access to fresh air.

Space should have a 4-foot tall fence surrounding it. If outdoor area is greater than 2450 SF, it will need 2 exits (not back into building).

See Oregon CCC Rules Section 414-300-0150 for additional details.

See also OCC licensing rule guidance:

<https://oregonearlylearning.com/wp-content/uploads/2022/03/PTA-0486-RG-Groundcover-EN.pdf>

*Child-free spaces include storage and all areas inaccessible to children.

Note: This resource is a draft document, based on regulations that were active at the time of the pilot. It is the responsibility of the user to verify the completeness and validity of all information.

The building code requires that a Commercial Child Care Center (referred to as a Daycare) be designated as an E (Education) or I-4 (Institutional) occupancy. Whether the building is determined to be E or I-4 will depend on the size of the Center, ages of the children, and other building factors. The CCFN developed this reference to highlight some of the major difference between the two occupancy types..

Child Care Facilities Navigation Program

3.1 Code Occupancy Analysis

Updated 18 August 2023

Topic	E-occupancy	Code Ref	I-4 occupancy	Code Ref
Definition	<p>Group E day care facilities: > 5 children > 2.5 years old</p> <p>Group E exception: Fewer than 100 children under 2.5, where rooms in which children are cared for are located on level of exit discharge and each room has an exit door directly to exterior.</p>	<p>OSSC 305.2</p> <p>OSSC 308.5.1</p>	<p>Institutional Group I-4 day care facilities: > 5 children of any age. (see 308.5.1 exception)</p>	<p>OSSC 308.5</p>
Occupancy Separation	<p>Separation of occupancies E and XX: See table</p>	<p>OSSC Table 508.4</p>	<p>Separation of occupancies I-4 and XX: See table</p>	<p>OSSC Table 508.4</p>
Finish Requirements (material class)	<p>Interior exit stairways, ramps, exit passageways: B; all others: C</p>	<p>OSSC Table 803.13</p>	<p>B, except for administrative areas or rooms with occupancy under 4</p>	<p>OSSC Table 803.13</p>
Fire Sprinklers	<p>Automatic sprinkler system shall be provided for Group E occupancies > 12,000sf, any Group E above level of exit discharge, any occupant load of 300 or more</p>	<p>OSSC 903.2.3</p>	<p>Automatic sprinkler system <u>not</u> required wher Group I-4 day care facilities are at the level of exit discharge and where very room where care is provided has not fewer than one exterior exit door</p>	<p>OSSC 903.2.6</p>

Note: This resource is a draft document, based on regulations that were active at the time of the pilot. It is the responsibility of the user to verify the completeness and validity of all information.

<p>Egress</p> <p>Exits</p> <p>Exit travel distance (sprinklered)</p> <p>Common path of egress travel</p> <p>Egress hardware (panic)</p>	<p>1 exit for <49 occupants, 2 when > 49 occupants</p> <p>250-ft</p> <p>75-feet, applies to loads >49</p> <p>Required for spaces with >50 children design occupancy load</p>	<p>OSSC Table 1017.2</p> <p>OSSC Table 1006.2.1</p>	<p>where care is provided for more than 10 children that are 2.5 years or less, shall have access to not less than two exits. (per Connie, can swing inward until occupancy is>49)</p> <p>200-ft</p> <p>75-feet, applies to loads >10</p> <p>OSSC 1006.2.2.4</p> <p>OSSC Table 1017.2</p> <p>OSSC Table 1006.2.1</p>
<p>Manual Fire Alarm</p>	<p>Required for spaces with >50 children design occupancy load. Manual system that initiates the occupant notification signal utilizing emergency voice/alarm communication. Where automatic sprinkler or smoke detector is installed, must be connected.</p>	<p>PFC 907.2.3</p>	<p>Manual fire alarm system that activates the occupant notification system and automatic smoke detection system.</p> <p>PFC 907.2.6</p>
<p>Emergency voice/alarm comm system</p>	<p>Emergency Voice/alarm not required if occupant load is 100 or less, provided that activation of the manual fire alarm system initiates an approved occupant notification signal in accordance with Section 907.5</p>	<p>PFC 907.2.3 exception 2</p>	<p>not required in I-4</p>
<p>Cooking Hoods</p>	<p>Domestic cooking appliances for commercial purposes need Type 1 or Type II hoods . . . EXCEPTION: a single domestic cooking appliance installed where domestic cooking operations occur, such as in a church, day care center, fire station, employee lunchroom</p>	<p>PFC 607.2.1 Exception; meet requirements of 505.1 OMSC. Other option appears to be an electric cooking appliance that meets 607.2 exception 4</p>	<p>Domestic cooking appliances for commercial purposes need Type 1 or Type II hoods . . . EXCEPTION: a single domestic cooking appliance installed where domestic cooking operations occur, such as in a church, day care center, fire station, employee lunchroom</p> <p>PFC 607.2.1, Exception; meet requirements of 505.1 OMSC. Other option appears to be an electric cooking appliance that meets 607.2 exception 4</p>
<p>Shower</p>			<p>required (but ignored?)</p> <p>OSSC Table 2902.1</p>

Note: This resource is a draft document, based on regulations that were active at the time of the pilot. It is the responsibility of the user to verify the completeness and validity of all information.

Appendix C

MEETING NOTES



MEETING MINUTES

PROJECT: Prosper Portland
Child Care Facilities Navigation Program

PROJECT NO: 2022919

DATE: 21 February 2023

FILE NAME: 230221_Provider A

SUBJECT: Provider Interview: Provider A

MEETING DATE: 21 February 2023

TIME: 6:30-7:30 pm

LOCATION: Zoom

ATTENDEES: Provider A

Ashley Butler	Brown Carter management Group	ashley@brownandcarter.com
Jenn Lizer	Dwell Realty	jenn@lizerrealestate.com
Abby Dacey	Mahlum Architects	adacey@mahlum.com
Anielis Raas	Prosper Portland	raasa@prosperportland.us

COPY TO: CCFN Team

The following represents the architect's understanding of discussions held and decisions reached in the meeting. Anyone with amendments to these minutes should notify the author within five (5) days of the minutes date in order to amend as appropriate.

ITEM	DISCUSSION
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1	<p>Provider A – has done childcare off and on for 18 years; 7 years in home setting Home center, 1800sf; went from Registered Family (10) to Certified Family (16); Location Redacted. Some families prefer home setting.</p> <p>Also has a Certified Center, 3500sf, up to 51 kids; wished she had optimized the interior spaces to best align with regulations and group sizes. Received \$150,000 in grants, another grant for furniture, 2 loans (from Prosper and Craft 3), and has an investor. NE Portland, Location Redacted.</p> <p>How did she decide on Center location? Working with MESO (later moved to PCRI), who found a space. Started with the 35sf/child calculation.</p>
---	---



Worked with Jenn on “Triple Nets.”
 Paying \$19/sf rent.
 Huge stress to invest this much money into a building she doesn’t own – negotiated length of lease.
 Worked with Tejara at FFA on fit-out.
 Worked back and forth with contractors; had to use minority-owned contractors with the loans they have. Craft 3 had to approve.
 Investor needed them to put \$150,000 of their own money in.
 PCRI couldn’t provide funds for TI; the investor played this role.
 Took 18 months from starting to opening.
 Got a rent abatement (during Covid) – didn’t have to pay until they were in business.
 Negotiated a 12 year lease w/ 7 year option.

What would have saved money: HVAC, plumbing, start-up capital, support from building owner on tenant improvements.

2 **Zoning:**
 Residential: Most houses can only fit 15-20 children
 Jenn found a lot zoned Commercial mixed use that has a house; trying to figure out if they can add other structures to the double lot.

3 **Costs:**
 Walls
 HVAC
 Plumbing
 Fire Sprinklers
 Lighting
 Acoustics
 Range of \$50,000 to convert an existing preschool; \$500,000-1,000,000 to improve a shell space via tenant improvement.

4 **Kitchen:**
 In commercial space, had to have grease trap, hood. This was a requirement of occupancy not licensing.
 In home setting, can get away with putting up a sign about no grease cooking.

5 **Tenant Improvements:**
 Often some dollars, but usually only 25-35% of amount that lessee needs. Landlords do generic improvements, not specific upgrades (small toilets, additional bathrooms).
 Have to pre-pay, then get reimbursed.
 Jenn noted that negotiating a longer lease agreement might be a way to negotiate.
 If they can find an existing childcare space, huge savings in time and money.
 Contract language is hard – leases, professional service contracts.



- 6 **Slots:**
 Preschool for All – sign up for # of slots; get paid a fixed number per slot each month; the reimbursement rate is higher than market rate.
 PFA reimbursement allows her head teacher to go from \$21/hr to \$37/hr.
 PFA pilot program includes infants and toddlers.
- 7 **Permit:**
 R&H Construction + FFA worked on permits – both had good rapport with City.
- 8 **Build-out:**
 9 months to build out – thank goodness they had rent abatement
- 9 **Licensing:**
 Provider A went through every handbook, form, code on Early Learning website; She noted the Early Learning handbook is complex, not user friendly and makes it difficult for a self-directed business owner to get all the requirements right
- Provider A also has a mentor, who has been extremely helpful. She belongs to a few networking groups as well as the union, they do trainings together and communicate the challenges and lessons learned. A mentor network could help ease the burden for newcomers
- State person overseeing her license did her house (earlier) and was able to get the Commercial Center licensed quickly. This allowed her to apply for grants for equipment and furniture.
 Licensing usually takes 30-60 days, knowing the person that helped her get the first license shorten the time to get the 2nd one
- During license process, her equipment took up space that she could use for kids (i.e. bookshelves). Had to add refrigerator and sink to infant room. That’s when Health and Safety asked for a grease trap. Didn’t know she needed a commercial dishwasher; was also asked to have a hood.
 Health department required a mop sink to clean off a kid who is messy (rather than using a sink).
- Employees: is taking 3-6 months to get employee background check. (used to be 30 days before Covid).
- 10 **Multnomah County Health Safety Sanitation** – hardest group to liaise with. They required that the kitchen meet commercial standards (like a restaurant?), which is above and beyond the State licensing requirements.
Fire Department – will charge you \$500, but they will meet with you during the City process.



MEETING MINUTES

PROJECT:	Prosper Portland Child Care Facilities Navigation Program	PROJECT NO:	2022919
DATE:	22 February 2023	FILE NAME:	230222_Provider B Interview
SUBJECT:	Provider B		

MEETING DATE:	22 February 2023	TIME:	6:30-7:30 pm
LOCATION:	Zoom		

ATTENDEES: Provider B

Ashley Butler	Brown Carter Management Group / Dwell Realty	ashley@brownandcarter.com
Jenn Lizer	Dwell Realty	jenn@lizerrealestate.com
Abby Dacey	Mahlum Architects	adacey@mahlum.com
Anielis Raas	Prosper Portland	raasa@prosperportland.us

COPY TO:

Rachel Langford	Social Venture Partners	rachel@svpportland.org
Amy Nagy	Prosper Portland	nagy@prosperportland.us

The following represents the architect's understanding of discussions held and decisions reached in the meeting. Anyone with amendments to these minutes should notify the author within five (5) days of the minutes date in order to amend as appropriate.

ITEM	DISCUSSION
1	<p>Provider B – ran a Certified Family preschool since 2015, 16 slots in outer SE Portland. Really liked her home center. During pandemic, decided to expand. Had some expansion funding from Preschool Promise. Saw PFA as a similar program to tap, was able to get funds, open larger center. Likes PFA mission, aligns with her goals – diversity, equity.</p> <p>She combined both Preschool Promise & PFA streams to develop her Center. Will have about 95 slots.</p> <p>Locating center: Very time consuming. Meet at potential sites, have licensor come, fire marshal, they coordinated to make sure she was doing everything required – sprinklers, health & sanitation inspection.</p>

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Looked in outer East side only. Location she found had been used by an elderly rehab use – originally built for infants. Might have been able to grandfather in some systems. Used to have small potties, was able to “reconfigure” back to the original layout, which was simpler for licensing & Health dept.

Future: thinks it will be a good idea to start a new center – use the new Childcare funding – up to \$500,000 for remodel. She was thinking this is probably why we were calling her because so many people want to open centers right now.

2

Jenn:

Most spaces need more build-out – require space, funds to build-out, a landlord who wants a preschool. For Provider B, this was a unique, planets-aligning situation. A broker Jenn knew had a space fall through, she jumped on it.

3

Leasing:

Provider B had a strong landlord attorney who did negotiations – got significant rent abatement (offered to do a longer lease, got 9 months free, then partial rent).

Has been in building since Feb 2022.

4

Costs:

Spent under \$50,000, feels like things are good quality.

Got PFA funds in Summer 2022. Went pretty quick to work with (vs. Preschool Promise).

Preschool Promise requires you to spend money first, then get reimbursed. More paperwork, more bureaucracy. Many people in program are government organizations (schools) or 3rd party grant writer (who can even get paid by program).

PFA will provide money on first of the month (start up funds at start; began to pay for 40 slots per month starting ~ September).

5

Kitchen:

Health & Sanitation only required commercial dishwasher. No commercial kitchen. Can heat and boil things, but no commercial hood. Has to post a sign that she won't fry anything.

6

Improvements:

She worked directly with fire marshal to work through solutions – very easy going, made things simple, helped explain path forward. Noted there is overlapping paperwork between agencies. Opened Center one classroom at a time – moved home daycare kids over, added a few more kids.

Was able to use all existing plumbing and that greatly reduced her cost.

Fire marshal was the key to determining how many kids could be in center.

7

Slots:

~95 slots; mostly 2-5 years old (but could cover infants).

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- 8 **Building permit:**
 Only needed for some things – fence, signage.
 ADA classrooms to serve students with special needs; bringing in Neil Kelly to assist with pediatric ADA – sink heights, etc.
 Did not move walls.
 Plumbers, etc, probably got over-the-counter permits.
 I-4 occupancy – says this was because of infants.
- 9 **Build-out:**
 Worked with a general contractor; they helped figure out the reconfiguring process. Would have been much harder if she developed from scratch.
 “Paint and paper” process – went to Metro and got a deal on paint. Does Montessori, so has simple aesthetic.
- 10 **Licensing:**
 Applied to license whole facility at one time, then Licensor approved one room at a time. (Fee is \$25 + \$2/child). This allowed her to save on costs and time to schedule inspections.
 Each round is pretty quick, especially if you give notice ahead of time. Very important to have good communication.
 Mentioned a lot of advice from Licensor, including a pamphlet, that included all sorts of guidance – don’t sign a lease, etc. until you understand you have right type of building, don’t buy any toys until you get approval to be licensed.
- 11 **Multnomah County Health:**
 Only 2 Health & Sanitation licensors in City – had same person who worked on the home location.
 Can be an issue to get them on site quickly; has had to have her licensor nudge the health department.
 This department was the most challenging to work with.



MEETING MINUTES

PROJECT:	Prosper Portland Child Care Facilities Navigation Program	PROJECT NO:	2022919
DATE:	09 August 2023	FILE NAME:	230809_Provider B Update
SUBJECT:	Provider B		

MEETING DATE:	09 August 2023	TIME:	5:00-5:45 pm
LOCATION:	Zoom		

ATTENDEES: Provider B

Ashley Butler	Brown Carter Management Group / Dwell Realty	ashley@brownandcarter.com
Abby Dacey	Mahlum Architects	adacey@mahlum.com

COPY TO: CCFN Team

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ITEM	DISCUSSION
1	Current situation: see Feb 2023 notes.
2	<p>Plan: Has her house. Interested in opening a farm-themed PK (residential or commercial); possibly also a Commercial Center. Max of 3 sites.</p> <ul style="list-style-type: none"> • "Pretend farm" • Needs certain soil • > 2 acres, something like Rossi Farm (out near Parkrose HS); also suggested she look at New Day School (inner SE large garden) • Not worried about licensure for the farm concept • Make sure zoning will allow CC • 30-40 kids • Working with Jenn on space. We will share the suitability tool with her.



- 3 Working with MESO on **business plan**.
 - Offered to share LIIF calculator and other tools as they develop
- 4 **Idea:** could you go to City and ask for which buildings used to be “E” occupancy – database?
Could Urban Form do this?
- 5 Other needs: we talked through the 80-125 sf/student planning number. Will share the tool we are refining.




MEETING MINUTES

PROJECT:	Prosper Portland Child Care Facilities Navigation Program	PROJECT NO:	2022919
DATE:	02 March 2023	FILE NAME:	230302_Provider C Interview
SUBJECT:	Provider C Interview		
MEETING DATE:	02 March 2023	TIME:	1:30-2:10 pm
LOCATION:	Zoom		
ATTENDEES:	Provider C		
	Abby Dacey	Mahlum Architects	adacey@mahlum.com
	Anielis Raas	Prosper Portland	raasa@prosperportland.us
COPY TO:	Rachel Langford	Social Venture Partners	rachel@svpportland.org
	Amy Nagy	Prosper Portland	nagya@prosperportland.us

The following represents the architect's understanding of discussions held and decisions reached in the meeting. Anyone with amendments to these minutes should notify the author within five (5) days of the minutes date in order to amend as appropriate.

ITEM	DISCUSSION
1	Provider C opened new facility in Nov 2021. Had two Certified Family homes (16 kids each); combined into one Certified Center. Can fit 64 kids; has 4 classrooms full now, 35-40 kids. Her goal was always to expand into a Center. Going from a CF to CC brings in more income, allows her to serve more families. Had a giant waitlist.
2	Location: 5-7 minutes away from homes, families were able to make the move. In NE Portland, off 82 nd .
3	Leasing: Was previously a PK building, closed for a few years. Took 6 months to get in touch with someone on Owner's side. Got a 5-year lease. With waitlist, backlog, felt comfortable planning out this far. Landlord was willing to work with them – asked for, and got, lower rent for a year, then gradual increase.

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- 4 **Costs:**
 Landlord paid for upgrades – paint, code-required issues (weird that previous childcare center didn't have it, but her licensor required). For her, it was just furniture and filling up the classrooms.
 Did not have any outside funding – self-funded.
 Need about \$20,000 to start operating capital – payroll.
- 5 **Kitchen:**
 Small kitchen – community room that is part of apartment complex. Has commercial sinks (3-compartment) and a commercial dishwasher, residential oven in this area. They worked out a schedule with apartment – use it 7-9am, 11-1pm. Purchased their own fridge/freezer.
- 6 **Improvements:**
 Took 8 months to upgrade, repair, get licensed. Already had toilets, etc. Small upgrades. Had to add a wall to separate from apartment community space, create storage area. Changed light fixtures. Didn't have to move walls.
 Worked directly with licensor and fire marshal and landlord's building maintenance people. County Health was one of the last ones in.
 Already had fire sprinklers.
- 7 **Slots:**
 64, 4 classrooms
 - 2 PK
 - 1 Infant
 - 1 toddler
 Is a PFA pilot site – has been wonderful – able to pay employees decent employees. Liked that there are not income guidelines for families (there are kids who were sitting at home without access to PK b/c they didn't qualify for other programs).
 Did not have a detailed business plan – encourages providers to develop a detailed budget - # slots, # teachers, amount of food each day, etc.
- 8 **Building permit:**
 She did not have to pull a building permit (Landlord might have).
- 9 **Build-out:**
 Limited – see improvements above.
- 10 **Licensing:**
 Sounds like it was pretty straight forward – small things (right kind of barkdust, make sure play equipment was suitable).
 Was a new licensor than the one who worked on her home centers (5 years earlier).



11 **Multnomah County Health:**
Straight forward.

12 **Challenges:**
Staffing, as a Certified Center, staff assigned to rooms, keeping in ratios.
Difficult to find people who are qualified – it is a process. Background checks take a long time – minimum 3 months. People go somewhere else because they can't wait for this process to play out.
Could fill more spots with kids but doesn't have staff available.

Wishes there was a better relationship between providers and licensing process. Not everyone interprets the rules the same; sometimes feels like they are against the provider (when they should be working towards the same goals).

Has had 5 different licensors over her 6 or 7 years in process. State assigns the licensor to the provider. Once facility is open, licensor comes at least 2x a year – a planned visit and an unannounced visit.

13 Provider C would love to hear more about the pilot program as we go – keep her posted.



MEETING MINUTES

PROJECT: Prosper Portland
Child Care Facilities Navigation Program

PROJECT NO: 2022919

DATE: 21 July 2023

FILE NAME:

SUBJECT: Provider D Interview

MEETING DATE: 21 July 2023

TIME: 11:00-11:30 pm

LOCATION: 2645 SE 154th Ave.

ATTENDEES: Provider D

COPY TO:	Ashley Butler	Brown Carter management Group	ashley@brownandcarter.com
	Rachel Langford	Social Venture Partners	rachel@svpportland.org
	Amy Nagy	Prosper Portland	nagya@prosperportland.us
	Abby Dacey	Mahlum Architects	Adacey@mahlum.com

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ITEM	DISCUSSION
1	Looking to expand from registered family to certified center. Provider D has Business plan completed and projections completed.
2	Grant: 3 grants coming from various sources for, and the determination is next week. Also applied for the Seeding Justice Grant.
3	Occupancy: <ul style="list-style-type: none"> • Location Redacted • The current building that Provider D is looking to acquire is Location Redacted
4	Zoning: Looking for buildings in the CE zoning



- 5 **Costs:**
 Building Acquisition Cost (Provider D is uniquely positioned to move forward with a commercial real estate acquisition based on the current equity available in the current school location.)
- 6 **Tenant Improvements:**
 The new location that has been identified is assembly use location that will need to have bathroom, sinks, and potentially egress points added in order to complete to Day Care requirements.
- 7 **Slots:**
 12 current slot in Provider D
 - 2 infant
 - 2 toddlers
 - 8 pre-school
 Preschool for All – Looking for 49 students.
- 8 **Permit:**
 A change of occupancy permit will be required for the location initially specified, based on the “A2” occupancy of the building.
- 9 **Licensing:**
 The goal is expand the business into a Certified Center.
- 10 **Multnomah County Health Safety Sanitation** – NONE (The current plan for Provider D expansion is to outsource all the meals, eliminating the MCHS requirements.)

 Currently, Provider D is preparing full meals daily for the 12 students in the facility. Provider D would like to eliminate this extra labor and outsource this service to a third party provider that would deliver the meals daily, for consumption.

Fire Department – Provider D stated she attended a day care provider meeting this week. During that meeting the Fire Marshall stated that he would require that all preschool and daycares install sprinklers in their facilities, if located in Multnomah County.
- 11 **Business Status:**
 - The current location will be open for lease for a new provider once a new location is identified.
 - Provider D is open to franchising and working with a new operator to help them get off the ground with the new provider.

MEETING MINUTES

PROJECT: Prosper Portland Child Care Facilities Navigation Program PROJECT NO: 2022919
 DATE: 07 August 2023 FILE NAME: 230807_Provider E
 SUBJECT: Provider E Interview

MEETING DATE: 07 August 2023 TIME: 6:00-6:45 pm

LOCATION: Zoom

ATTENDEES: Provider E

Ashley Butler	Brown Carter management Group	ashley@brownandcarter.com
Abby Dacey	Mahlum Architects	adacey@mahlum.com

COPY TO: CCFN team

The following represents the architect's understanding of discussions held and decisions reached in the meeting. Anyone with amendments to these minutes should notify the author within five (5) days of the minutes date in order to amend as appropriate.

ITEM DISCUSSION

- 1 **Current Situation:**
 - Certified Family Child Care x 2 houses, 16 kids per house
 - Open since 2018
 - Funded through Baby Promise, PK Promise, PFA
 - Trying to open Certified Center

- 2 **In process of opening Certified Center:**
 - Bought a property on Location Redacted, with intention to open a Commercial Center. Worked directly with a Contractor who built out the space. Provider E trusted him, but found out that he did not have permits, ability to get licensed. Lost over \$200,000.
 - Told by City they needed to get an E-occupancy permit – regulations, seismic upgrades, etc.
 - Hired architects, engineer, contractor, electrician, plumber.
 - Starting framing shortly. This restart is costing them a lot of money.
 - Plans to open end of September.

- Will be able to serve 36 children (new slots) - to start, will move one house-worth of kids to Center when it is ready until they get full PFA funding in Fall 2024.
- Wants to use PFA funds b/c PK Promise has income limits.
- Applying for Grants
- Has 2 current staff who will move over to new building. Has to pay them even if new center isn't ready.

3

Current Actions:

- Application for the Building Grant – bookkeeper, lots of details.
- Working with a coach – doesn't know who it is through. This person will help him through the grant application.
- If he gets grant, he'll expand Center by 2 classrooms – is 2 lots, has space to add 32 slots.
- Licensing: has everything in order; getting his E-occupancy; private Sanitation Inspection (has lined up for late September b/c faster than County; have to pay private and county inspectors, only \$30-50 more for private and can book on the weekend); then submit documents and payment to Salem.

4

Curriculum:

- Working with Tool of the Mind – PPS uses, he is planning to implement.
- Purchased slots to train entire staff.

5

Needs:

- Money – cash. Using credit cards, etc.
- Going through MESO loan process. Won't receive for 60 days.
- CCFN will follow up to see if there is a route to get a private loan with favorable terms to bridge gap right now.
- Still needs some money and can not wait for traditional financing
- Still needs \$50,000 to \$100,000 to complete the building renovations



MEETING MINUTES

PROJECT: Prosper Portland
Child Care Facilities Navigation Program

PROJECT NO: 2022919

DATE: 07 August 2023

FILE NAME: 230807_Provider F Interview

SUBJECT: Provider F Interview

MEETING DATE: 07 August 2023

TIME: 5:10-5:45 pm

LOCATION: Zoom

ATTENDEES: Provider F

Ashley Butler	Brown Carter management Group	ashley@brownandcarter.com
Abby Dacey	Mahlum Architects	adacey@mahlum.com

COPY TO: CCFN team

The following represents the architect's understanding of discussions held and decisions reached in the meeting. Anyone with amendments to these minutes should notify the author within five (5) days of the minutes date in order to amend as appropriate.

ITEM	DISCUSSION
------	------------

- | | |
|---|---|
| 1 | <p>Current Situation:</p> <ul style="list-style-type: none"> • Certified Family Child Care • 16 kids • North Portland • Licensed for 30 years • Status: Applied for Preschool For All • PFA Status: Enrolled |
| 2 | <p>Plans:</p> <ul style="list-style-type: none"> • Wants to expand, in North Portland into a Family Center or Commercial Center. Near current space. • Thinking if she is in a home that has Commercial designation and try to staff it with employees she already has (not sure that logic plays out, but the point was a smaller-scale center). No more than 40-45 kids. Doesn't want a huge building - too much first cost, too hard to staff. • In PFA program. |

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- 4 teachers, classrooms of 10 + a few aides
- thinking age range is 3-4-5 in order to get PFA funding; unsure she wants to continue with infants and toddlers
- Open Fall 2024

3 **Business Advisor:**

- "kind of" has this with with MESO (Angela) & CC&R.
- Ashley will reach out to Angela

4 **Challenges in current facility:**

- Challenge right now is hiring employees. Said people are still quitting, that Centers are still closing.
- Current **Mult. Co. sanitation reviewer** is new. They asked why she didn't have a sink in every room; she pointed out that it is not required for licensing and they backed down.

5 **Space needs:**

- 3200-5625 sf interior space
- Minimum 1125 sf exterior space
- Commercial DW
- Large fridge
- Residential stove (does not fry food)

6 **Next steps:**

- CCFN to reach out to support finding commercial real estate
- Wants to purchase; keep mortgage around \$4000

7

Kitchen:

- They will be cooking for the students
- They will need a dishwasher in the new space and potential would need to get
- Commercial Fridge will be required to hold additional food for student lunches
- May be able to use a domestic range, rather than a commercial range for the new facility.



MEETING MINUTES

PROJECT: Prosper Portland
Child Care Facilities Navigation Program

PROJECT NO: 2022919

DATE: 09 August 2023

FILE NAME: 230809_Provider G Interview

SUBJECT: Provider G Interview

MEETING DATE: 09 August 2023

TIME: 6:00-6:45 pm

LOCATION: Zoom

ATTENDEES: Provider G

Ashley Butler	Brown Carter Management Group / Dwell Realty	ashley@brownandcarter.com
Abby Dacey	Mahlum Architects	adacey@mahlum.com

COPY TO: CCFN Team

The following represents the architect's understanding of discussions held and decisions reached in the meeting. Anyone with amendments to these minutes should notify the author within five (5) days of the minutes date in order to amend as appropriate.

ITEM	DISCUSSION
1	Current situation: About to open a Commercial Center in Vancouver, WA. About 80 children; part of it is after-school program. No infants now.
2	Plan: Spanish Immersion PK <ul style="list-style-type: none"> • Looking for a space. • Background in Early Childhood and Elementary Education; currently a substitute. • Looking in Interstate Corridor – has some funding tied to this • Open Late 2024, early 2025 • 80-100 children – 7000-12,500 sf – open to breaking down into different spaces • ~2500 sf exterior space (minimum)
3	Space: most spaces are not ready to be used as a daycare

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- Hard to figure out if a space is suitable, costs money to do due diligence w/ an architect.
- Costs a lot to turn over a space.

4

Funding:

- Has money available through community livability grant.
- There are time limits to this grant (through Prosper Portland); sounds like they can re-up it.
- Asked how likely it is that a landlord would fund an upgrade – not likely. Could try to leverage the situation to get lower triple-net expenses, maintenance costs, longer lease time, etc. Also need 1st month's rent and security deposit of 1-month. Could need \$32-40k just to get into space.
- As a non-profit, will get one of the "Ns" removed from triple-net. Many "ifs" involved in this. Ashley might look at a church or other mission-aligned landlord.

5

Coach:

- In Preschool For All pathways program.
- Has an advisor.

6

Process:

- Explained our business plan / secure a space / design-permit-fit-out process.
- Provider G asked great questions – when do fees start, how does a broker identify and share spaces.
- Discussed zones that allow CCs – **need to share list with her.**
- **Next step: CCFN to review current inventory, reach out with options.**



MEETING MINUTES

PROJECT: Prosper Portland
 Child Care Facilities Navigation Program **PROJECT NO:** 202390825
DATE: 25 August 2023 **FILE NAME:** 2300825_Provider H
 Interview
SUBJECT: Provider H Interview

MEETING DATE: 25 August 2023 **TIME:** 3:00-4:00 pm

LOCATION:

ATTENDEES: Provider H

Ashley Butler	Brown Carter management Group	ashley@brownandcarter.com
Abby Dacey	Mahlum Architects	Abby@malhum.com

COPY TO: CCFN TEAM

Additional Information:

- In Business: 16 Years
- Type: Certified Family and Certified Center
- Resources Available: Cash
- Status: Approved for Preschool for All
- PFA Status: Pilot

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ITEM	DISCUSSION
1	<p>Occupancy:</p> <ul style="list-style-type: none"> • Location Redacted • The current building that Provider H is looking to acquire is Location Redacted



2 **Zoning:**
R7 Zoning for the Location Redacted

Daycare. This regulation applies to all parts of Table 110-1 that have a [7]. Daycare uses are allowed by right if locating within a building that contains or contained a College, Medical Center, School, Religious Institution, or a Community Service use.

Conditional uses. Table 110-1. Uses that are allowed if approved through the conditional use review process are listed in Table 110-1 with a "CU". These uses are allowed provided they comply with the conditional use approval criteria for that use, the development standards, and other regulations of this Title. Uses listed with a "CU" that also have a footnote number in the table are subject to the regulations cited in the footnote. In addition, a use or development listed in the 200s series of chapters is also subject to the regulations of those chapters. The conditional use review process and approval criteria are stated in Chapter 33.815, Conditional Uses.

3 **Costs:**
Location Redacted is currently under construction. The total cost of the project is not known at this time. The property is potentially for sale at \$1.5M. This pricing will need to be verified because the property is not actively listed for sale.

4 **Kitchen:**
A full kitchen will be required for this location based on the operating model of Provider H, which consists of on-site food preparation.

5 **Tenant Improvements:**
The property is currently under construction and will require additional work to complete the project. The extent of the work will be reviewed on 8/28/2023 during an on-site visit of the property with Provider H.

6 **Slots:**
Certified Center

- (20) Infants
- (80) Preschool

Certified Center

- (10) Infants
- (60) Preschool

Certified Family

- Sixteen total children in the home.
- (4) infants
- (12) Preschool

7 **Permit:**

- Owner has applied for permits



8 **Build-out:**

Owner to potentially complete the build out at the Seller's expense. This will need to be confirmed during the site visit on 8/28/2023.

9 **Licensing:**

Fully licensed

10 **Multnomah County Health Safety Sanitation**

TBD: based on the kitchen design

11 **Fire Department**

- Potentially approved by BDS based on the current permit status and plan acceptance.

12 **Business Status:**

- Pilot location with current PFA slots allocated
- Business model can expand based on the Immersion Program Teacher recruiting process utilized by Provider H.
 - The teacher is recruited directly from Mexico for the program
 - Provider H has established a pathway from Mexico for teachers through the G1 Visa program.
 - She successfully brought (7) teachers from Mexico last year to assist with the expansion of Provider H

13 **Additional Notes**

- Work with the elementary school and has been doing that for the last 16 years.
- Currently rent spaces for the center
- Wants to expand into a larger center and may consolidate into one locations.
- Provides long hours of operation 5:00 AM – 6:00 PM
- Has the current staffing and management capacity for the new location in Northeast Portland
- Tried to get a loan to buy a new building. She knows the owner of the building and has permitted it, and they want to sell it now.
- Need assistance securing financing for the building.



14

Questions:

- We will need to find out what happens to the permit process upon transfer of the property.
- Set up a 15-minute meeting for us to review the current?.
- SBA – assisting with a loan status inquiry required?
- \$1.5M Building: price will need to be verified.
- Does the building have a defined layout?
- The building is under construction, what is the state of the building?
- Will the seller pay all the permit fees?
- Are Floor plan drawings available for review?



MEETING MINUTES

PROJECT:	Prosper Portland Child Care Facilities Navigation Program	PROJECT NO:	2022919
DATE:	07 November 2023	FILE NAME:	231107_Cohort 2 Session 1
SUBJECT:	Cohort 2 Session 1		
<hr/>			
MEETING DATE:	07 November 2023	TIME:	5-6 pm
LOCATION:	Zoom		
<hr/>			
ATTENDEES:	Cohort 2 Provider C		
	Cohort 1 Provider A&C		
	Lindsay Butler Ashley Butler Kaya Butler Abby Dacey	Brown and Carter Mahlum Architects	 adacey@mahlum.com
	Anielis Raas	Prosper Portland	raasa@prosperportland.us
COPY TO:	Rachel Langford	Social Venture Partners	rachel@svpportland.org
	Amy Nagy	Prosper Portland	nagya@prosperportland.us

The following represents the architect's understanding of discussions held and decisions reached in the meeting. Anyone with amendments to these minutes should notify the author within five (5) days of the minutes date in order to amend as appropriate.

ITEM	DISCUSSION
1	Provider C: at capacity (67 kids) in rented space for 2 years. Ready to look at other options. Want to plan next chapter: childcare, more services to families, space to bring families in for trainings. Current lease rate could be transferred to a \$1m building with similar monthly payments. Current lease expires in one year. Wants to stay east of 82nd street (currently at Location Redacted).
2	Small business advisor. Admits she is not good at asking for help. Resources are becoming available, but the number of folks, agencies, etc is hard to keep track of. Overwhelming!



Would help to have a list of players – ideally streamline the process! They are trying to run and control a center and run a “team” of support surrounding the business expansion. People coming to do assessments, surveys, etc.

As a child care provider, the goal is getting kids in place. **Having business plan, it's dotted, it's crossed are not the things they had ready in the beginning.** They were focused on opening a space that was clean, passed licensing, etc. Want to be able to produce profit/loss statements, etc. What kind of business information do they need to track?

3

Next Steps:

Who are they working with already? We need a list from Provider C.

CCFN team to meet with IBRN, MESO, etc to understand what each can provide.

CCFN to develop a schedule process – high level overview plus detail about steps to take.



MEETING MINUTES

PROJECT: Prosper Portland
Child Care Facilities Navigation Program

PROJECT NO: 2022919

DATE: 24 January 2024

FILE NAME: 240124_CCFN
Cohort 2.2_Minutes

SUBJECT: Cohort #2, Meeting #2

MEETING DATE: 24 January 2024

TIME: 6:00-7:00 pm

LOCATION: Zoom

ATTENDEES:

Ashley Butler	Brown & Carter Management Group	ashley@brownandcarter.com
Abby Dacey	Mahlum Architects	adacey@mahlum.com
Anielis Raas	Prosper Portland	raasa@prosperportland.us
Cohort 2 A		
Cohort 2 B		
Cohort 2 C		
Cohort 2 D		
Cohort 2 E		

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IT DISCUSSION
EM

- 1 Cohort 2 C: Certified; used to have a larger facility but split into 2 locations post-pandemic. Capacity is 130. Want to build for up to 250 children.
- 2 Cohort 2 D: has 5 Certified Residential Centers, 2 in Gresham and 2 in Washington County.

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- 3 Cohort 2 A: Certified Family Center
- 4 Cohort 2 B: Bilingual, in-home Certified Family. Working with Preschool Promise. Have 5 teachers. Trying to get more trainings. **Has trouble finding teachers**
- 5 Ashley provided an overview of the CCFN Framework: Business Plan, Securing a Space, Designing/ Permitting/ Build Out.
Abby reviewed the big challenges we are finding, then asked providers to share their challenges.
- 6 Cohort 2 CI: I spent the 2020-21 school year going through all that you are talking about. I'm so glad you're helping people. We were flying solo. It was a nightmare, but now I understand so much more about working with the city of Portland and its Byzantine zoning and occupancy rules. Used to be located in a K-8 grade school; had to find a new location. Looked at thousands of properties, nothing had "E" occupancy. Had to split into two buildings:
 - Fell into an old Montessori PK near Mall 205, 9,000sf.
 - Found a church annex for 4,000. Had "E" occupancy in half of building. Connie helped her. Cost her \$28,000 to do an occupancy change on the half building – was exactly the same as the other half of the building. Had a parent who was willing to do this for \$8,000. The only change they had to make was to 8 doors. Had to run half-day program (under 4 hours) in order to operate as a Registered Center.
 - Every family had to find a different solution during the process. Went from 120 students to 24 students.

In process of long-term lease on Tabor Space's parking lot. Wants to build a 50,000sf Elderly Housing plus child care facility. Our new Certified Center will take 3-5 years.
We'll continue to operate our current facilities until then.
Challenge: Fees to get work done and TIME – took 2 years – just to open the interim Centers.
- 7 Cohort 2 D: bought land in WA County for a new Center, Commercial zoning, so she didn't have to change zoning. Transportation fee per child is almost \$472/child. **Challenge: Permit fees of \$550,000 for 11,000 Montessori preschool. Many people are avoiding opening centers because of this!**
- 8 Cohort 2 D: Time: has been working on another location in Gresham since April 2023. Did minor changes. Planner changed and City didn't approve occupancy. Has a kitchen and they treat it like a large commercial Kitchen - \$150,000 in costs so far (grease trap, etc). Has 50 students. Spent about \$23,000 for City permitting fees. Everything is done except handicap ramp – can't pour until weather improves. **Needs to open by Feb 15 or she will lose PFA funding. Was told she needed State license.**
- 9 Cohort 2 B: Just opened second in-home Certified facilities. Biggest challenge is finding teachers. Wants to open a Commercial Center in a year or so. Wants to make sure she can provide great care and be present for her students. Does not want to rent. Wants to find her own place to purchase. Is working with a realtor.
Cohort 2 C added: "Cohort 2 B, being in charge of two facilities has its challenges. You seem really aware and in tune with the human side of the business. I hope you find a great partner to help you."

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Cohort 2 D: Gresham by next month, Hillsboro in 1 year.

Cohort 2 CI added: "Cohort 2 D, you are amazing! Gresham AND Hillsboro. And those permit fees are unbelievable! Let me know if you need a concrete contractor- if something falls through with your current contractor."

- 10 Cohort 2 A: needs teachers, **wants to buy a home**. Not ready for a Commercial Center.
- 11 Abby and Ashley walked through the case study for Location Redacted.
 - Change of Occupancy
 - Costly upgrades (and how to avoid)
 - Impact Traffic Estimate: increasing, so it is going to trigger ROW upgrades
- 12 Cohort 2 D: Didn't pass plumbing inspection because the plumber was told she need needed a privacy lock with indicator on both sides - \$250, hard to find. Spent an hour at City of Gresham to get to the bottom of it. (see clip below).
- 13 Cohort 2 B: running into a problem with her building. Has a house, limited to 16 children b/c of zoning. Licensing is restricting her. Has room for 2 providers to live. In Gresham. Working with PFA. Has temporary license, everything "perfect." Only opening 1-2 days/week because of lack of teachers. Has 26 children enrolled, so she does 2 shifts (can only have 16 at one time).
Interested in learning how to convert to Commercial.
DELC – issued a letter that children of teachers won't count towards the 16 children. Might be a challenge of building occupancy (Residential).
- 14 Cohort 2 D provided overview of fire code memo provided by their jurisdiction:



Fire Plan Review Comments / BLDC-23-01841

1. *Converting an existing apartment to a daycare. Change of use from R-2 to E. Unit 34 proposed occupancy load 27. Unit 35 proposed occupant load 23. Total occupant load of 50.*
2. *Fire sprinklers and a fire alarm system are not required per occupancy classification requirements. If the occupant load is determined to exceed 50 people, then a manual fire alarm system installed per OFC 907.2.3 will be required.*
 - Exception:
 1. *A manual fire alarm system shall not be required in Group E occupancies with an occupant load of 50 or less. **OFC 907.2.3***



MEETING MINUTES

PROJECT:	Prosper Portland Child Care Facilities Navigation Program	PROJECT NO:	2022919
DATE:	05 March 2024	FILE NAME:	240305_CCFN Cohort 2.3_Minutes
SUBJECT:	Cohort #2, Meeting #3		
<hr/>			
MEETING DATE:	05 March 2024	TIME:	6:00-7:00 pm
LOCATION:	Zoom		
<hr/>			
ATTENDEES:	Ashley Butler	Brown & Carter Management Group	ashley@brownandcarter.com
	Abby Dacey	Mahlum Architects	adacey@mahlum.com
	Anielis Raas	Prosper Portland	raasa@prosperportland.us
	Cohort 2 Participants		

The following represents the architect’s understanding of discussions held and decisions reached in the meeting. Anyone with amendments to these minutes should notify the author within five (5) days of the minutes date in order to amend as appropriate.

ITEM DISCUSSION

1.1 QUESTIONS ABOUT FUNDING

- Can PFA grants be used for 0-5 year-olds? – yes
- If you're starting a new site how do you show that you're intending to be a part of PFA? - Ashley suggests the mid-year allocation; Crystal told they are not selecting new participants. Ashley said there will be a change.
- Can this funding be used to renovate spaces we already own that needs to be upgraded? - yes
- Grants available all year
- How much were the center renovation grants up to? - up to \$200,000
- Are programs required to be nonprofit? - no – available to all types of businesses

1.2 ZONING

- Shared link to Chapter 33 – Residential
- Link for Residential zones. See table 110-1 for details of what is allowed: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.portland.gov/sites/default/files/code/110-sd-zone_3.pdf



1.3 ACCESSIBILITY

Shared link to 25% rule and handout:

The building code building code requires that new work (such as new restrooms) meets current accessibility standards AND requires spending up to 25% of the value of a project on improving the access to and within an establishment. This "25% rule" applies to changes of occupancy as well as remodeling projects. The code lists the order of priority for improvements:

1. parking,
2. an accessible entrance,
3. an accessible route to the altered area,
4. at least one accessible restroom for each sex or an additional single unisex restroom, etc.

For more information on accessibility requirements, speak to a Life Safety Reviewer at (503) 823-1456.



MEETING MINUTES

PROJECT: Prosper Portland
Child Care Facilities Navigation Program

PROJECT NO: 2022919

DATE: 01 May 2024

FILE NAME: 240305_CCFN
Cohort 2.4_Minutes

SUBJECT: Cohort #2, Meeting #4

MEETING DATE: 01 May 2024

TIME:

LOCATION: Zoom

ATTENDEES:

Ashley Butler	Brown & Carter Management Group	ashley@brownandcarter.com
Abby Dacey	Mahlum Architects	adacey@mahlum.com
Anielis Raas	Prosper Portland	raasa@prosperportland.us

Cohort 2 Participants

The following represents the architect's understanding of discussions held and decisions reached in the meeting. Anyone with amendments to these minutes should notify the author within five (5) days of the minutes date in order to amend as appropriate.

ITEM	DISCUSSION
------	------------

- | | |
|-----|--|
| 1.1 | <p>Cohort 2 F Has a friend who is a developer; met recently and asked him for help. Was thinking about purchasing a building for a school.</p> <ul style="list-style-type: none"> ▪ Not sure that buying building is feasible: Costs \$2m to purchase, then \$1m to bring up to permit (and change of occupancy). Need to put up \$100,000 for renovations (or is she talking about the mortgage?) ▪ Already paying \$10,000/month for rent. |
| 1.2 | <p>Cohort 2 G Have location, just signed lease, just got e-occupancy, about to finalize SBA 7a loan for starting costs</p> <ul style="list-style-type: none"> ▪ PBOT issues because of future plans for development without specifics ▪ E-occupancy ▪ Identified building 3 years ago – said he had E occupancy on building, designing for his wife to run a Center. Owner had lost “E” occupancy because he had done changes to it. ▪ Had to put up a \$350k bond for Cully neighborhood updates – that “blew out” somehow. |



- Landlord agreed to do the work for her; she worked with an Architect on a new design. Had agreement to lease to own.
 - 3 months to agree on an exact lease.
 - Last week she signed lease. Will take 6 months to do build-out from “shell” stage.
 - Have pre-approval from SBA for start-up loans. Keeps needing one more thing – insurance, updated documents, etc. Has put up everything she has for her SBA loan.
 - PBOT studied project, said they needed X amount of parking; a new person came in and said they could share neighbor’s parking.
 - Has 2 other properties where they have been approached to put their programs into their buildings, but once they found out how many changes were required they weren’t as interested. *One sounds like Big Pink (downtown, willing to provide security to cross street to a new playground area).*
 - “I don’t want to learn all that stuff. I want to do my job.” Working with contractor (as a woman) and City was a terrible experience.
 - Need to create more space for
- 1.3 Cohort 2 H found property, getting bids in; needs to get taxes done so she can get into underwriting
- 1.4 Cohort 2 I has two centers, thinking about moving into a CC, waiting for permits. In Gresham (186th) with a family-oriented Center, working with special needs kids.
- 1.5 Cohort 2 J went from RF to CF last year. Wants to extend outside of house – new setting in backyard. Has an architect. Thinking about operating in her home and the separate building (with a different address).
- 1.6 Cohort 2 K moved out of current location (in Irvington), opened a new location; have staff who want to open a new infant/toddler center. She is helping them.
- Certified for 54 kids, 3000sf, about \$900,000 to purchase, loan is \$1,800,000. Needed seismic upgrade, but not sprinklers. Opened September 2023.
 - Ashley points out that there are funds available for costs to open Center between July 2023 and now.
 - Contractor “took money out of budget” for playground equipment, so she had to add back in.
 - “We are an essential work area, we passed Preschool For All, we need physical spaces. The infrastructure is a major issue. A handful of us are going to hit our heads against the wall [to get there].”
 - Mention that being a single woman is a hard place to be in these projects.
- 1.7 I couldn’t agree more! I’m busy scheduling subs, ordering sand for the sandbox, setting up PD, etc. I can’t fight PBOT also.
- 1.8 Ashley shared a provider’s story
- Approximate cost: \$1.5m (\$1m purchase)
 - Stacey agreed that it costs 1.5 to 2x purchase price to open building.
- Inconsistencies in what people are being told about parking requirements.

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1.9 Follow up:

- Shared link: <https://www.builduporegon.org/>
- Need to share E vs I-4 page with Begin.
- Find no parking requirement for “E” occupancy. Told that they needed to get neighborhood agreement on having parking. Location Redacted.
- Are there any incentives for a landlord to provide ownership of commercial space (i.e. ground floor space) or to open to “E” and “I-4” occupancies?

1.10 Things they wish they knew:

- Amount of money you have to put up front to figure out if a building is viable is shocking. She did a fire-life safety meeting for each property. She looked at 7 properties. Several thousand dollars per building just do due diligence.
- Begin: \$6,000 on a property that she didn't end up going for
- Spent up to \$16,000 for due diligence
- Ashley mentioned that Build Up Oregon has pre-development grants for some of these costs.



MEETING MINUTES

PROJECT: Prosper Portland
Child Care Facilities Navigation Program

PROJECT NO: 2022919

DATE: 08 May 2024

FILE NAME: 240124_CCFN
Cohort 2.5_Minutes
Redacted

SUBJECT: Cohort #2, Meeting #5

MEETING DATE: 08 May 2024

TIME:

LOCATION: Zoom

ATTENDEES:	Ashley Butler	Brown & Carter Management Group	ashley@brownandcarter.com
	Abby Dacey	Mahlum Architects	adacey@mahlum.com
	Anielis Raas	Prosper Portland	raasa@prosperportland.us
	Cohort 2 Providers		

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ITEM DISCUSSION

-
- 1.1 What’s on your mind?:
- Provider ants to know fees. Thinking, once she’s done, she could write a book “Opening a childcare center for idiots”
 - Provider thinks she needs a fire wall between living spaces and business. Still wants to connect to her home, walk through door. Was told she would need a separate address. Another Provider jumped in w/ some knowledge: if it is a separate building, not connected, would be a separate address. If it is connected, would be an A/B address. Her contractor says he knows what City needs. She wants to know what Licensor would think. The other provider says it would need to be a Certified Family (not Center). The other provider brought up the “whole live on premise thing” but that might go away. Jenny Marguerite is both provider’s licensor. Provider’s architect is Julian from Powerhouse Design.
 1. Living on premise rule – might go away
 2. House + ADU precedent is out there
 3. Will zoning care?

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-
- Provider interested in getting permission to do a “Small” Certified Center (up to 20 kids) in a residential zone.
 - 1.2 Ashley mentions that one provider is doing a Center in an R1 zone.
 - 1.3 Anielis – new relaxed rules in COP allow up to 2 more units on property. Could these be CFs?
 - 1.4 Provider is in a CM2 zone; he is planning to do 3 CFs on property, in 3 different structures.
 - 1.5 Provider has a CF and RF on one property.
 - 1.6 To confirm zoning regulations, I would request a 15-min meeting at the City first:
<https://outlook.office365.com/book/ZoningorTreeCodeQuestions@portlandoregongov.onmicrosoft.com/>
 New housing rules: <https://www.portland.gov/bps/planning/housing-regulatory-relief/about>
 - 1.7 Eric from SUMM Architecture – working with one of the providers. He did the architecture for the previous use.
 - Was a college. Hasn’t been used in 3 years. Reverts back to original zoning (residential)??
 - Will need a CU to operate a childcare >3,000sf
 - Architect is charging 12,500 per CU meeting
 - Needs to do a Change of Occupancy to an E
 - Will trigger nonconforming upgrades
 - Seismic upgrade – was E on Oct 1, so no seismic upgrades required
 - ADA upgrade – planning to do these
 - Has a basement – will need to separate. Fire marshal is not asking for highest rating between (R-system, RD-system?). Quote she got was \$500,000 for sprinkler system.
 - Public records: <https://www.portland.gov/bds/find-public-records#toc-building-permit-records> Or
[https://portlandor.govqa.us/WEBAPP/_rs/\(S\(f4pupi1r4000assauchl5cag\)\)/support/home.aspx](https://portlandor.govqa.us/WEBAPP/_rs/(S(f4pupi1r4000assauchl5cag))/support/home.aspx)
 - 1.8 They sure aren’t making it easy for us to open up more spots.
 - 1.10 Lindsey Butler has put all the City links on her website!
 - 1.11 City Links for opening a Child Care Center:

<https://www.portland.gov/bds/commercial-permitting/commercial-certified-child-care-businesses>

<https://www.portland.gov/bds/residential-permitting/home-child-care-businesses>

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1.12 ROW upgrades: “This building was owned by someone before me . . . why is it [the sidewalks] my problem now?” - *provider trying to open a center*

1.13 Funding:

- PFA will provide pre-development funding.
- PFA funding can be used to upgrade right of way work, etc, but it adds to the property improvement costs, which takes away money for other providers.
- At end of the meeting, one provider said: “I felt special tonight,” [having opportunity to just talk through the challenges she’s experiencing and getting support and information].

Appendix D

ABBREVIATIONS & GLOSSARY

ABBREVIATIONS USED IN THIS REPORT

BDS - "Building Department"	Bureau of Development Services - includes fire life safety and plans reviews, issues the "building permit" ; administers requirements of Title 33 zoning
BES	Bureau of Environmental Services - oversees sewer and stormwater
BPS - "Zoning Department"	Bureau of Planning and Sustainability - develops Title 33 zoning code, which includes whether a Daycare use is allowed in a zone and if a Conditional Use Permit is required.
CC / CCCC	Certified Child Care Center
CCFN	Child Care Facilities Navigation (references the pilot program that conducted this study)
COP - "City"	City of Portland
County	Used to refer to MCHD or an Environmental Health Inspector
DELIC - "Licensing"	Oregon State Department of Learning and Care
MC	Multnomah County
MCHD	Multnomah County Health Department
PBOT	Portland Bureau of Transportation - oversees trip generation, driveways and upgrades in the right of way
PFR - "Fire"	Portland Fire & Rescue - oversees compliance with fire code
PP	Prosper Portland
PWB - "Water"	Portland Water Bureau - oversees water lines and backflow devices
SDCs	System Development Charges
State	Most commonly used to refer to DELIC
TA	Technical Assistance providers. TAs are often positioned within nonprofits or government agencies in order to provide guidance and support.

GLOSSARY

WORDS FOR CHILD CARE	
Day Care / Daycare	Used in Zoning and Building Code to describe Certified Child Care uses (residential child care is considered a household use under zoning code and does not need to comply with references to "Daycare")
Child Care / Childcare	Used by DELC to describe care of pre-school-age children
Pre School / Preschool	Other names used to describe Child Care
Early Childhood Education	Other names used to describe Child Care
Early Childcare Center	Other names used to describe Child Care Centers
Early Learning Center	Other names used to describe Child Care Centers
Care Facility	Word used in some BES policies
TYPES OF CHILD CARE CENTERS	
Registered Family (RF)	DELC designation for a child care facility that is licensed to care for no more than 10 children and is the residence of the provider
Certified Family (CF)	DELC designation for a child care facility that is certified to care for no more than 16 children, and is located in a building constructed as a single-family dwelling.
Certified Center (CC)	DELC designation for a child care facility that is certified to provide care and education of children, generally in a commercial or nonresidential setting, that is not a certified family child care home. Unless otherwise specified, this report is specifically referring to the requirements for a Certified Center.
ZONING AND BUILDING TERMS	
Use	Zoning term for how building is utilized
Occupancy or Occupancy Classification	Building term for how building is utilized
E (Educational)	Occupancy classification used to describe one of the two use classifications for a Child Care Facility
I-4 (Institutional)	Occupancy classification used to describe one of the two use classifications for a Child Care Facility
Change of Use	Zoning term for a change to the building's primary use (activity) on a site. When this change increases the building's occupant 'load' (number of people allowed in the building at the same time) or other factors, it might impact building code requirements.
Change of Occupancy	A change in the building's use that places the building in a different division of the same group of occupancies or in a different occupancy group. The phrase is related to building code. The most common use in this document refers to changing from a building's existing occupancy to E or I-4 classification.
Certificate of Occupancy	Building/BDS term for the certificate that is issued at the completion of the (construction) work described by a building permit or change of occupancy scope.
Substantial Completion	A phrase used in the architecture/construction industry to indicate when a building is almost finished and can be occupied by the owner.
Driveway	PBOT: portion of driveway in Right-of-way
Driveway	BDS/BPS: all paved areas of Driveway
Right of Way (ROW)	The land in the public realm, beyond a site's property line. It usually includes the sidewalk, planting strips, curbs, and roadways.